

Indiana Housing Finance Authority

2005 Rental Housing Finance Application

- ☒ Application for "**Conditional**" Reservation of Rental Housing Financing
- ☐ Application for "**Final**" Allocation of Rental Housing Financing

Date: 2/25/2005

Development Name: Pearson Place

Development City: Shelbyville

Development County: Shelby

Application Fee: \$1,000

Building Identification Number (BIN): _____

Application Number (IHFA use only) _____

Applicable Percentage (IHFA use only) _____

IN-05-01900

INDIANA HOUSING FINANCE AUTHORITY

Rental Housing Finance Application

- ☒ Application for "Conditional" Reservation of Rental Housing Financing
- ☐ Application for "Final" Allocation of Rental Housing Financing

This Application for Rental Housing Financing (this "Application") is provided by the Indiana Housing Finance Authority (sometimes referred to herein as "IHFA" or the "Authority"), pursuant to Section 42 of the Internal Revenue Code and rules and regulations promulgated thereunder, as amended (the "Code"), and the current Qualified Allocation Plan, as adopted by the Authority and duly approved by the Governor of the State of Indiana (the "Allocation Plan"). BEFORE COMPLETING THIS APPLICATION, YOU SHOULD REVIEW THE ALLOCATION PLAN TO DETERMINE WHETHER YOUR PROPOSED DEVELOPMENT MEETS THE THRESHOLD CRITERIA REQUIRED BY THE AUTHORITY, AS SET FORTH IN THE ALLOCATION PLAN. Applications which fail to meet the minimum criteria will not be eligible for funding.

APPLICATION PACKAGE SUBMISSION GUIDELINES

- 1 No Application will be considered without the Applicant's submission of a brief narrative summary (limit 3 pages) describing the need for the Development within the community and the Development itself. This narrative should give an accurate depiction of how this development will benefit the particular community. Generally, the summary should include the following points:

Development and unit description
Amenities in and around the Development
Area's needs that the Development will help most
Community support and/or opposition for the Development
The constituency served by the Development
Development quality
Development location
Effective use of resources
Unique features
Services to be offered

- 2 Your assistance in organizing your submissions in the following order will facilitate the review of your Application for a "Conditional" Reservation of Rental Housing Financing. Documentation included with the Application must be submitted in the order set forth on the Development Submission Checklist. Documentation for each applicable tabbed section of the application for which it applies should be placed in a legal size 1/3 tab cut manila file folder. Each file folder should be labeled with typewritten 1/3 cut file folder labels accordingly. A template to use to print labels for manila file folders is located in Schedule H. File folders should then be inserted in a 14 3/4"x 9 1/2" red file pocket with 5 1/4" expansion. See Schedule H.
- 3 The Application form must be signed by the Applicant, duly notarized and submitted in triplicate originals [Form A (the application) only - DO NOT SUBMIT TRIPLICATE ORIGINALS OF ANY OTHER PAGES], together with the required application fee. Inclusion of the items on the Development Submission Checklist in support of the Application is strongly encouraged and will likely impact the number of points for which you are eligible under IHFA's evaluation system of ranking applications, and may assist IHFA in its determination of the appropriate amount of credits that it may reserve for the development.
- 4 Applicants applying for IHFA HOME Funds and/or Trust Fund loan must submit each of the following in addition to the requirements noted above:
- One (1) copy of the Rental Housing Finance Application (Application only)
One (1) original of the Trust Fund and/or HOME Funds Supplement application
Five (5) copies of the Trust Fund and/or HOME Funds Supplement application

Item/Requirement	Document Submitted (Yes/No)	Tab	Notes/Comments
1. Development Feasibility Document Submitted: ~ Application ~ Third party documentation of sources, costs & uses of funds ~ 15 Yr. pro-forma (Housing, Commercial, combined) ~ Other (List Below):	Yes Yes Yes	Tab A	Office for Human Services is only commercial space
2. Highest locally elected official notified of the development Documents Submitted: ~ Form R ~ Copy of letter/information submitted ~ Returned Receipt from the certified mail ~ Written response from the local official ~ Other (List Below):	Yes Yes Yes Yes	Tab C	Mayor's written response Tab C & Tab W
3. Not-for-profit competing in any set-aside Document Submitted: ~ Signed Board Resolution by the Not-for-profit's Board of Directors	Yes	Tab B	
4. Market Study prepared by a disinterested third party showing sufficient demand Document Submitted by market analyst to IHFA	Yes	Tab M	
5. Applicant, Owner and/or Developer has not received \$750,000 or more in annual RHTCs and/or has successfully completed at least 1 Multi-family development in Indiana (issuance of IRS Form 8609) Document(s) Submitted: ~ List of all tax credit Developments and participation in the Development (Applicant, Owner & Developer)	Yes	Tab L	Applicant/Owner-Human Services and Developer-Stenz have received 8609 on prior developments
6. Costs expended to date are less than 50% of total development costs. Document Submitted: ~ Application	Yes	Tab A	
7. Applicant, Developer, management agent, other development team members demonstrate financial, Developmental, and managerial capabilities to complete and maintain property through compliance period. Document(s) Submitted: ~ Financial Statements of GP or principals ~ Tax Returns of GP or principals ~ Resume of Developer ~ Resume of Management Agent ~ Other (List Below): Property Management Agreement	Yes Yes Yes Yes	Tab D	Also included are draft documents demonstrating that the Non-Profit is the sole owner of the sole General Partner
8. Completed Application with Application Fee Document(s) Submitted: ~ Application (Form A) ~ Narrative Summary ~ Check for appropriate Application Fee	Yes Yes Yes	Tab A	

9. Evidence of Site Control			Proof of current owner, Shelbyville School Corporation, is a hand written deed from 1891.
Document(s) Submitted:		Tab E	
~ Purchase Agreement			
~ Title commitment			
~ Warranty Deed	Yes		
~ Long Term Lease			
~ Option	Yes		
~ Attorney's opinion			
~ Adopted Resolution of the applicable commission			
~ Letter from the applicable governmental agency			
~ Other (List Below):			
10. Development Site Information			
Documents Submitted:		Tab F	
~ Schematics	Yes		
~ Perimeter Survey	Yes		
~ Site plan (showing flood plain and/or wetlands)	Yes		
~ Floor plans	Yes		
11. Lender Letter of Interest			
<ul style="list-style-type: none"> - lender has reviewed the same application submitted or to be submitted by the Applicant to the Authority to which such letter of interest related; - lender expressly acknowledges that the development will be subject specifically to the "40-60" or "20-50" set-asides, and extended use restriction elections made by the Applicant - such lender has reviewed the Minimum Underwriting Criteria set forth in this Allocation Plan; and - any other special use restriction elections made by the Applicant, which give rise to additional points in this Allocation Plan. - the terms of the loan including loan amount, interest rate, and term of the loan 			
Document Submitted:		Tab G	
~ Lender Letter of Interest	Yes		
12. Financing Not Yet Applied For			
Document Submitted:		Tab G	
~ Certification of eligibility from Applicant	Yes		
13. Equity Letter of Interest			
<ul style="list-style-type: none"> - Such investor has reviewed the same application and market study submitted or to be submitted by the Applicant to the Authority in support of the Rental Housing Financing for the Development to which such letter of interest relates - Such investor expressly acknowledges that the development will be subject specifically to the "40-60" or "20-50" set-asides, and extended use restriction elections made by the Applicant - such investor has reviewed the Minimum Underwriting Criteria set forth in this Allocation Plan; and - any other special use restriction elections made by the Applicant, which give rise to additional points in this Allocation Plan. 			
Document Submitted:		Tab H	
~ Equity Letter of Interest	Yes		
14. Funding/Financing already awarded			
Document Submitted:		Tab G	
~ Copy of Award Letter	N/A		

15. Public and Private facilities are or will be accessible prior to completion Document Submitted: ~ Map showing public and private facilities in relation to the development	Yes	Tab I	
16. Color photographs of the existing site and structures Document Submitted: ~ Photographs of the site	Yes	Tab I	
17. Zoning Document Submitted: ~ Letter from zoning authority stating site is properly zoned (without need for additional variance) ~ Copy of all approved variances ~ PUD documentation (if applicable)	Yes	Tab J	
18. Utility Availability to Site Document(s) Submitted from appropriate entity: ~ Water ~ Sewer ~ Gas ~ Electric ~ Current Utility Bills	Yes Yes Yes Yes	Tab K	
19. Compliance Monitoring and Evidence of Compliance with other Program Requirements Documents Submitted: ~ All development team members with an ownership interest or material participation in any affordable housing Development must disclose any non-compliance issues and/or loan defaults with all Authority programs. ~ Affidavit from any principal of the GP and each development team member disclosing his/her interest in and affiliation with the proposed Development	Yes Yes	Tab L	
20. Characteristics of the Site are suitable for the construction, rehabilitation and operation of the proposed Development - No Development will be considered if any buildings are or will be located in a 100-year flood plain at the placed in service date or on a site which has unresolvable wetland problems or contains hazardous substances or the like that cannot be mitigated. Documents Submitted: ~ Completed Environmental Phase I (addresses both flood plain and wetlands.) ~ FEMA conditional letter of reclassification ~ Mitigation plan including financing plan ~ Documentation from Civil Engineer ~ Resume for Civil Engineer ~ FEMA map	Yes N/A Yes N/A N/A Yes	Tab F	Mitigation plan including financing plan for asbestos and lead paint abatement and fuel oil tank closing in Tab F
21. Affirmative Fair Housing Marketing Plan Document Submitted: ~ Form K	Yes	Tab N	
22. Federal Fair Housing Act and Indiana Handicapped Accessibility Code Document Submitted: ~ Fair Housing Act Accessibility Checklist - Form E	Yes	Tab N	

23. Pre-1978 Developments (i.e. buildings) Proof of Compliance with the Lead Based Paint Pre-Renovation Rule Document Submitted: ~ Form J	Yes	Tab N	
24. Developments Proposing Commercial Areas Document(s) Submitted: ~ Detailed, square footage layout of the building and/or property identifying residential and commercial areas ~ Time-line for complete construction showing that all commercial areas will be complete prior to the residential areas being occupied	Yes Yes	Tab F	Only commercial area is an office for Human Services
25. RHTCs being used to Acquire the Development Document Submitted: ~ Fair market appraisal (within 6 months)	N/A	Tab O	
26. Rehabilitation Costs must be in Excess of \$7,000 per unit (Must be in excess of \$10,000 per unit if competing in the Preservation Set-aside) Document Submitted: ~ Capital Needs Assessment - Schedule H ~ Form C	Yes Yes	Tab O	
27. Form 8821 <i>Provide only if Requested by IHFA</i>		Tab Z	
28. Minimum Underwriting Guidelines ~ Total Operating Expenses - supported in Market Study ~ Management Fee - 5-7% of "effective gross income" 1-50 units 7%, 51-100 units 6%, and 100+ units 5% ~ Vacancy Rate 6-8% ~ Rental Income Growth 1-3% /yr ~ Operating Reserves - four (4) to six (6) months (Operating Expenses plus debt service) ~ Replacement Reserves per unit New Construction: \$250 - \$300 Rehabs: \$300 - \$350 ~ Operating Expense Growth 2-4% /yr ~ Stabilized debt coverage ratio 1.15 - 1.35 (Maintain at least a 1.1 throughout Compliance Period) ~ Minimum cash for Developments with no debt \$250 per unit Document(s) Submitted: ~ Data Supporting the operating expenses and replacement reserves ~ Documentation of estimated property taxes & insurance ~ Detailed explanation why development is underwriting outside these guidelines ~ Third party documentation supporting explanation ~ Other	Yes Yes Yes Yes Yes Yes Yes N/A	Tab A	Explanation Tab G See analysis of other documentation supporting costs, taxes, insurance in Tab A. Also see analysis and supplemental fifteen year pro-forma for use of actual property management fee versus inflated property management fee inherent in the IHFA model.
29. Grants/Federal Subsidies Document Submitted: ~ Explanation of how the funds will be treated in Eligible Basis, the reasonableness of the loan to be repaid, and the terms of the loan.	Yes	Tab G	

<p>30. Credits requested does not exceed the maximum credit per unit: 1-35 units = \$8,180 (QCT \$10,635) 36-60 units = \$7,670 (QCT \$9,970) 61-80 units = \$7,160 (QCT \$9,305) Over 80 units = \$6,645 (QCT \$8,640) Credits requested above the maximum MUST PROVIDE: ~ Clear and convincing evidence for the need of additional credits ~ Applicant has exhausted all sources of financing ~ Provide third-party documentation Document Submitted: ~ Letters from Lenders ~ Other (List Below):</p>	<p>Yes</p>		<p>The formula on page 43 Determination of Reservation Amount Needed does not calculate allowing for deferred development fee. We are aware of the credit limit and include a supplemental calculation.</p>
<p>31. Request does not exceed \$750,000 and owner, developer or applicant has not received more than \$1,500,000 per year (This excludes tax exempt bonds) Document Required: ~ Application</p>	<p>N/A</p>	<p>Tab A</p>	
<p>32. Developer Fee, including consulting fee, is within guidelines Document(s) Submitted: ~ Deferred Development Agreement/Statement ~ Not-for-profit resolution from Board of Directors allowing a deferred payment</p>	<p>Yes</p>	<p>Tab A</p>	<p>Development agreement in Tab G</p>
<p>33. Contractor Fee is within guidelines</p>	<p>Yes</p>	<p>Tab G</p>	
<p>34. Development satisfies all requirements of Section 42 Document(s) Submitted: ~ Completed and Signed Application with certification</p>	<p>Yes</p>	<p>Tab A</p>	
<p>35. Private Activity Tax-Exempt Bond Financing Documents Required: ~ Inducement Resolution ~ Attorney's Opinion</p>			
<p>36. Not-for-profit set-aside Documents Required: ~ Articles of Incorporation ~ IRS documentation 501(c)(3) ~ NFP Questionnaire</p>	<p>Yes Yes Yes</p>	<p>Tab B</p>	
<p>36. Additional Documents Submitted List documents:</p>		<p>Tab Z</p>	
<p>Evaluation Factors</p>	<p>Self Study</p>	<p>HFA Use</p>	<p>Notes/Issues</p>
<p>1. Rents Charged A. Lower Rents Charged % at 30% Area Median Income Rents 1. 5 -10% (2 points) 2. 11% + (5 points) % at 40% Area Median Income Rents 1. 15 - 20% (2 points) 2. 21% + (5 points)</p>	<p>5 5</p>		

% at 50% Area Median Income Rents			
1. 20 - 30% (2 points)			
2. 31 - 50% (5 points)			
3. 51% + (10 points)		10	
B. Market Rate Rents			
1. 5 - 10% (2 points)			
2. 11% + (5 points)		5	
Subtotal (25 possible points)		25	
2. Contituency Served			
1. Homeless Transitional (0-5 points)			
Document Required:			
~ written referral agreement signed and agreed to by all parties - Place in Tab R			
~ Resume of organization providing services - Tab R			
2. Persons with Disabilities (0-5 points)		5	
Document Required:			
~ written referral agreement signed and agreed to by all parties - Place in Tab R			
~ Resume of organization providing services - Tab R			
Subtotal (10 possible points)		5	
3. Development Characteristics			
A. Unit Types			
1. 30% units 2 bedrooms, or (2 points)			
2. 45% units 2 bedrooms (4 points)		4	
3. 15% units 3 bedrooms, or (2 points)			
4. 25% units 3 bedrooms (4 points)			
5. 5% units 4 bedrooms, or (2 points)			
6. 10% units 4 bedrooms (4 points)			
7. Single Family/Duplex (3 points)			
B. Development Design			
1. 10 amenities in Column 1 (1 point)		1	
2. 5 amenities in Column 2 (1 point)		1	
3. 3 amenities in Column 3 (1 point)		1	
Document Required:			
~ Form B - Place in Tab F			
C. Universal Design Features			
1. Ten (10) Universal Design Features (1 point)		1	
Document Required:			
~ Form S - Place in Tab F			
D. Unit Size			
1. Efficiency/0 BR > 375 sq ft/Rehab 350 sq ft (1 point)		1	
2. 1 BR > 675 sq ft/Rehab 550 sq ft (1 point)		1	
3. 2 BR > 875 sq ft/Rehab 680 sq ft (1 point)		1	
4. 3 BR > 1075 sq ft/Rehab 900 sq ft (1 point)		1	
5. 4 BR + > 1275 sq ft/Rehab 1075 sq ft (1 point)		1	
Document Required:			
~ Form H - Place in Tab F			

E. Existing Structure			The entire existing structure, 100%, is being converted into affordable housing except for a small portion intended for use as Human Services offices. A portion of the overall development will be the addition of a new wing. When combined with the new addition, the percentage converted of the overall total drops below 75%, hence 2 points.
1. % of total development that was converted from a vacant structure			
25% (1 point)			
50% (2 points)	2		
75% (3 points)			
100% (4 points)			
Required Document: ~ Form I - Place in Tab O			
F. Development is Historic in Nature			
1. Listed on the National Register of Historic Places (1 point)			
Required Document: ~ Letter from the National Park Service or verification of listing from their website - Place in Tab U			
2. Utilizes Historic Tax Credits (2 points)	2		
Required Document: ~ Copy of historic application and approved Part I Place in Tab U			
G. Preservation of Existing Affordable Housing			
1. RHTC that have/will Expire (3 points)			
Required Document: ~ Statement from Applicant - Place in Tab U			
2. HUD or USDA Funded (1-3 points)			
Required Document: ~ Letter from HUD or USDA stating priority designation Place in Tab U			
3. Revitalization Plan for a HOPE VI grant (3 points)			
Required Document: ~ Copy of Revitalization Plan and award letter for the HOPE VI funds - Place in Tab U			
4. Preservation of any affordable housing Development (2 points)			
Required Document: ~ Third Party documentation - Place in Tab U			
H. Energy Efficiency Requirements			
1. HVAC and Windows (1 point)			
2. Three (3) Appliances (1 point)	1		
Required Document: ~ Form G & Supporting Documentation - Place in Tab F			
Subtotal (35 possible points)	18		
4. Financing			
A. Government Participation			
1. Up to 1% of total development costs (1 point)			
2. Over 1% - 3% of total development costs (2 points)	2		
3. Greater than 3% of the total development costs (3 points)			
Required Document: ~ Letter from the appropriate authorized official approving funding and stating the amount of monetary funding Place in Tab C			
B. RHTCs as Part of the Overall Financing Structure			
1. 70% - 80% of total development costs (1 point)			
2. 60% - 69.99% of total development costs (2 points)			
3. < or equal to 59.99% of total development costs (3 points)	3		
Subtotal (6 possible points)	5		

5. Market			This is an infill project
A. Difficult to Develop Area - QCTs (3 points)	3		
Required Document: ~ Census Tract Map - Place in Tab I			
B. Local Housing Needs			
1. 1/2% -1 1/2% and does not exceed 1350 units (1.5 points)			
2. < 1/2% and does not exceed 800 units (3 points)			
Required Document: ~ Form F With a list of all tax credit and bond developments. Place in Tab C			
C. Subsidized Housing Waiting List (2 points)	2		
Required Document: ~ Agreement signed by both the owner and the appropriate official for the local or regional public housing representative. Place in Tab R			
D. Community Revitalization Preservation (3 points)	3		
Required Document: ~ Letter from highest local elected official - Tab U ~ Certification from Architect - Tab U ~ Hope VI approval letter from HUD - Tab U			
E. Lease Purchase (1 point)			
Required Documents: ~ Detailed outline of lease purchase program ~ Lease-Purchase agreement signed by all parties. Place in Tab S			
Subtotal (12 possible points)	8		
6. Other			
A. Community Development (1-2 points)	2		
Required Document: ~ Form R fully completed and signed by highest local official (or authorized designee) Place in Tab W			
B. Minority/Women Participation (2 points)			
Required Document: ~ Certification from Indiana Department of Administration Place in Tab T ~ All applicable Development, management & contractor agreements (w/fee structure) - Tab T			
C. Unique Features or Circumstances (3 points)	3		
Required Document: ~ Detailed description of all unique aspects fo the development. Place in Tab P			
C. Services			
1. Commitments for Moderate Services (1 point)			
2. Commitments for Exceptional Services (2 points)	2		
Required Document: ~ Written agreements signed by all parties. Place in Tab Q			
D. Technical Correction Period (3 points)	3		
~ Development must pass Threshold without any technical errors or incomplete information			
Subtotal (12 possible points)	10		
Total Development Score (100 possible points)	18		

Special financing type (check all that apply)	Special use MUST select all that apply. See 924 (Applies to Rental Housing Tax Credits ONLY)
<input checked="" type="checkbox"/> Rental Housing Tax Credits (RHTC) <input type="checkbox"/> Multi-Family Tax Exempt Bonds <input type="checkbox"/> Low Income Housing Trust Fund (MUST complete Trust Fund Supplement. See Form R) <input checked="" type="checkbox"/> IHFA HOME Investment Partnerships (MUST complete HOME Supplement. See Form S)	<input checked="" type="checkbox"/> Not-for-Profit <input type="checkbox"/> Large City <input checked="" type="checkbox"/> Elderly <input type="checkbox"/> Rural <input checked="" type="checkbox"/> Small City <input type="checkbox"/> Lowest Income <input type="checkbox"/> Preservation <input checked="" type="checkbox"/> Persons with Disabilities

A. Development Name and Location

1. Development Name Pearson Place
 Street Address 115 Colescott Street
 City Shelbyville County Shelby State IN Zip 46176
2. Is the Development located within existing city limits? ☒ Yes ☐ No
 If no, is the site in the process or under consideration for annexation by a city? ☐ Yes ☐ No
 date: _____
3. Is development located in a Qualified Census Tract or a difficult development area? ☐ Yes ☒ No
 a. If Yes, Census Tract # _____ If No, Census Tract # 7106
 b. Is development eligible for adjustment to eligible basis? ☐ Yes ☒ No
4. Congressional District 5th State Senate District 42 State House District 57

B. Funding Request (for Initial Application Only)**

1. Total annual credit amount requested with this Application (Final Allocation request can not exceed amount previously approved by IHFA Board for the development) \$ 286,300
2. Total annual credit amount requested from Persons with Disabilities set-aside \$ 32,720
3. Percentage of units set-aside for Persons with Disabilities 11%
4. Total amount of Multi-Family Tax Exempt Bonds requested with this Application _____
5. Total amount of IHFA HOME funds requested with this Application \$ 500,000
6. Total amount of Trust Fund loan requested with this Application _____
7. Have any prior applications for IHFA funding been submitted for this Development? ☒ Yes ☐ No

If yes, please list the name of the Development(s), date of prior application, type of funding request (with amount) and indicate what information has changed from the prior application. **Place information in Tab Y of the application package.**

footnotes: _____

8. Total annual tax credit amount requested with all applications (including this Application) submitted to the Authority in 2005 (current year) \$ 286,300 **
9. Total annual tax credit amount awarded with all applications submitted to the Authority in 2005 (current year) _____ **
10. Total Multi-Family Tax Exempt Bonds requested with all applications (including this Application) submitted to the Authority in 2005 (current year) _____ **
11. Total Multi-Family Tax Exempt Bonds awarded with all applications submitted to the Authority in 2005 (current year) _____ **

C. Types of Allocation/Allocation Year

1. Regular Allocation

☐ All or ☐ some of the buildings in the development are expected to be placed in service _____ (date). For these buildings, the Owner will request an allocation of _____ (current year) credits this year for:

- ☐ New construction, or
☐ Rehabilitation, or
☐ Acquisition and rehabilitation.

2. Carryforward Allocation

All or some of the buildings in the development are expected to be placed in service within two years after the end of this calendar year 2005 (current year), but the Owner will have more than 10% basis in the development before the end of this year, but in any event no later than 6 months from the date of the allocation if the allocation is received within the last 6 months of the calendar year. For these buildings, the Owner will request a carryforward allocation of 2005 (current year) credits pursuant to Section 42(h)(1)(E) for:

- ☒ New construction, or
☒ Rehabilitation, or
☐ Acquisition and rehabilitation (even if you acquired a building this year and "placed it in service" for the purpose of the acquisition credit, you cannot receive Form 8609 for acquisition credits on the building until the year for which the Form 8609 is issued for that building once the rehabilitation work is "placed in service" in _____ (Year)). See Carry Over Agreement.

3. Federal Subsidies

Federal Subsidies may include: Tax Exempt Bonds, Project Based Section 8, HOME, CDBG, Ect.

- ☒ The development will not receive federal subsidies
☐ The development will receive federal subsidies for all buildings or some buildings

List type of federal subsidies:

HOME funds will be structured to remain in eligible basis.

footnotes: _____

D. Applicant/Ownership Information

1. Applicant Information

Is Applicant the Owner?

☒ Yes ☐ No

Is Applicant an IHFA State Certified CHDO?

☒ Yes ☐ No

Participating Jurisdiction (non-state) Certified CHDO?

☐ Yes ☒ No

Qualified not-for-profit?

☒ Yes ☐ No

A public housing agency (PHA)?

☐ Yes ☒ No

a. Name of Organization Human Services, Inc

Contact Person Richard Clark

Street Address 1585 Indianapolis Road

City Columbus State IN Zip 47202

Phone 812 375 8407 Fax 812 378 7490

E-mail Address rclark@hsi-indiana.com

Applicant's Resume and Financials must be attached

b. If the Applicant is not the Owner, explain the relationship between the Applicant and the Owner.

Applicant owns 100% of sole General Partner in the to be formed limited partnership

c. Has Applicant or any of its general partners, members, shareholders or principals ever been convicted of a felony under the federal or state law of the United States? ☐ Yes ☒ No

d. Has Applicant or any of its general partners, members, shareholders or principals ever been a party (as a debtor) in a bankruptcy proceeding under the applicable bankruptcy law of the United States? ☐ Yes ☒ No

e. Has Applicant or any of its general partners, members, shareholders or principals:

1. Defaulted on any low-income housing Development(s)? ☐ Yes ☒ No

2. Defaulted on any other types of housing Development(s)? ☐ Yes ☒ No

3. Surrendered or conveyed any housing Development(s) to HUD or the mortgagor? ☐ Yes ☒ No

f. If you answered yes to any of the questions in e.1, 2, or 3 above, then please provide additional information regarding these circumstances. You may use additional sheets.

footnotes: _____

1. Owner Information

☐ Legally formed
☒ To be formed

a. Name of Owner Pearson Place, LP

Contact Person Richard Clark

Street Address 1585 Indianapolis Road

City Columbus State IN Zip 47202

Phone 812 372 8407 Fax 812 378 7490

E-mail Address rcclark@hsi-indiana.com

Federal I.D. No. _____

Type of entity: ☒ Limited Partnership

☐ Individual(s)

☐ Corporation

☐ Limited Liability Company

☐ Other _____

☒ Owner's Organizational Documents (e.g. partnership agreement) attached
☐ Owner's Resume and ☐ Financials attached.

Provide Name and Signature for each Authorized Signatory on behalf of the Applicant.

1. Debra Bunch, Executive Director
Printed Name & Title

Debra Bunch
Signature

2. Richard L. Clark, Director of Housing
Printed Name & Title

Richard L. Clark
Signature

3. _____
Printed Name & Title

Signature

4. _____
Printed Name & Title

Signature

5. _____
Printed Name & Title

Signature

footnotes: Draft Owner documents are in Tab D.

2-25-05

- b. List all that have an ownership interest in Owner and the Development. Must **include** names of **all** general partners (**including the principals of each general partner if applicable**), managing member, controlling shareholders, ect.

	Name	Role	Phone #	% Ownership
General Partner 1	HSI Properties, Inc	Sole GP	812 372 8407	0.10%
Principal	Human Services, Inc	Owens 100% GP	812 372 8407	
Principal				
Principal				
General Partner 2	None			
Principal				
Principal				
Principal				
Limited Partner	ESIC	Equity purchaser	410 772 2501	99.99%
Principal				
Principal				
Principal				

- c. Has Owner or any of its general partners, members, shareholders or principals ever been convicted of a felony under the federal or state laws of the United States? ☐ Yes ☒ No
- d. Has Owner or any of its general partners, members, shareholders or principals ever been a party (as a debtor) in a bankruptcy proceeding under the applicable bankruptcy laws of the United States? ☐ Yes ☒ No
- e. Has Owner or any of its general partners, members, shareholders or principals:
1. Defaulted on any low-income housing Development(s)? ☐ Yes ☒ No
 2. Defaulted on any other types of housing Development(s)? ☐ Yes ☒ No
 3. Surrendered or conveyed any housing Development(s) to HUD or the mortgagor? ☐ Yes ☒ No
- f. If you answered yes to any of the questions in e.1, 2, or 3 above, then please provide additional information regarding these circumstances in Tab L.

footnotes: _____

E. Prior Property Owner Information

1. List the following information for the person who owned the property immediately prior to Applicant or Owner's acquisition.

Name of Organization Shelbyville Central Schools

Contact Person James Peck, Superintendent

Street Address 803 St Joseph Street

City Shelbyville State IN Zip 47176

Type of Entity: ☐ Limited Partnership ☐ Individual(s)
☒ Corporation ☐ Other _____

2. What was the prior use of the property? School building

3. Is the prior owner related in any manner to the Applicant and/or Owner or part of the development team?
☐ Yes ☒ No

If yes, list type of relationship and percentage of interest, if applicable.

F. Applicant/Owner Experience

Provide a list of all developments (in all states) for which the Applicant, Owner, members, shareholders, principals, and each development team member herein have received an allocation of RHTC, Multi-family Tax Exempt Bonds, HOME Funds, 501(c)(3) Bonds, Trust Fund, and/or CDBG. Please identify whether each development was a rehabilitation of an existing development or new construction, the award amount, the funding source, and the award number (e.g. Building Identification Number (BIN), grant number, ect.) **Please Provide in Tab L.**

G. Development Team Information

1. Attorney Gareth Kuhl

Firm Name Ice, Miller

Phone 317 236 5885 Fax 317 592 4686

E-mail Address gareth.kuhl@icemiller.com

2. Bond Counsel (if applicable) N/A

Firm Name _____

Phone _____ Fax _____

E-mail Address _____

footnotes:

3. Developer (contact person) Richard Clark

Firm Name Human Services, Inc.

Phone 812 372 8407 Fax 812 378 7490

E-mail address rclark@hsi-indiana.com

4. Accountant (contact person) Joel Gauthier

Firm Name Gauthier & Kimmerling

Phone 636 3265 Fax 636 2156

E-mail address jgauthier@gkaccounting.com

5. Consultant (contact person) James Higgs

Firm Name James Higgs Associates, Inc

Phone 317 357 4867 Fax 317 357 4967

E-mail address jhiggs4@comcast.net

6. Management Entity (contact person) Leo Stenz

Firm Name Stenz Management Corporation

Street Address 429 Pennsylvania, Lower Level

City Indianapolis State IN Zip Code 46204

Phone 317 262 4999 Fax 317 262 4992

E-mail address lstenz@stenzcorp.com

7. General Contractor (contact person) Leo Stenz

Firm Name Stenz Construction Corporation

Phone 317 262 4999 Fax 317 262 4992

E-mail address lstenz@stenzcorp.com

8. Architect (contact person) George Brunner

Firm Name Architura

Phone 317 348 1000 Fax 317 951 1213

E-mail address george.brunner@architracorp.com

If the Development will be utilizing Multi-family Tax Exempt Bonds, you must provide a list of the entire development team in addition to above.

footnotes: _____

If any member of the development team has any financial or other interest, directly or indirectly, with another member of the development team, and/or any contractor, subcontractor, or person providing services to the Development for a fee, then a list and description of such interest(s) should be provided in TAB L. (Check appropriate box)

☐ No identities of interest ☒ Yes, identities of interest

H. Not-for-profit Involvement

Articles of Incorporation and IRS documentation of status must be submitted with this Application if the Owner is already formed. To qualify for the not-for-profit set-aside, 100% of the general partner ownership interest of Owner must be owned by a "qualified not-for-profit organization" (as defined in the Allocation Plan). This does not preclude qualified not-for-profits that joint venture in any other set-aside.

2. Identity of Not-for-profit

The not-for-profit organization involved in this development is:

☒ the Owner ☒ the Applicant (if different from Owner) ☐ Other

Name of Not-for-profit Human Services, Inc.
Contact Person Richard Clark
Address 1585 Indianapolis Road
City Columbus State IN Zip 47202
Phone 812 372 8407 Fax 812 378 7490
E-mail address rclark@hsi-indiana.com

I. Site Control

1. Type of Site Control by Applicant

Applicant controls site by (select one of the following):*

☐ Warranty Deed
☒ Option (expiration date: #####)**
☐ Purchase Contract (expiration date:)**
☐ Long Term Lease (expiration date:)**

* If more than one site for the development and more than one form of site control, please so indicate and submit a separate sheet specifying each site, number of existing buildings on the site, if any, and type of control of each site.

** Together with copy of title commitment or other information satisfactory to the Authority evidencing the identity of the current Owner of the site.

Please provide site control documentation in Tab E.

footnotes: Option expiration is 12-31-05

2. Timing of Acquisition by Owner
Select One:

- ☐ Applicant is Owner and already controls site by either deed or long-term lease or
- ☒ Owner is to acquire the property by warranty deed (or lease for period no shorter than period property will be subject to occupancy restrictions) no later than 12/31/2005 *

* If more than one site for the development and more than one expected date of acquisition by Owner, please so indicate and attach a separate sheet specifying each site, number of existing buildings on the site, if any, and expected date of acquisition by Owner of each site.

3. Site Information

- a. Exact area of site in acres 1.24
- b. Is site properly zoned for your development without the need for an additional variance? ☒ Yes ☐ No
Zoning type RM
- c. Are all utilities presently available to the site? ☒ Yes ☐ No
- d. Who has the responsibility of bringing utilities to the site? _____
When? _____ (month/year)
- e. Has locality approved the site plan? ☐ Yes ☒ No
- f. Has locality issued building permit? ☐ Yes ☒ No

J. Scattered Site Development

If sites are not contiguous, do all of the sites collectively qualify as a scattered site Development pursuant to IRC Section 42(g)(7)? ☐ Yes ☐ No
(NO market rate units will be permitted)

K. Acquisition Credit Information

1. ☐ All buildings satisfy the 10-year general look-back rule of IRC Section 42(d)(2)(B) and the 10% basis/\$3000 rehab costs per unit requirement.
2. ☐ If you are requesting an acquisition credit based on an exception to this general rule [e.g. Section 42(d)(2)(D)(ii) or Section 42(d)(6)], then, other than the exception relating solely to the prior use of the property as a single family residence by the Owner, an attorney's opinion letter in a form satisfactory to the Authority must accompany this Application specifically setting forth why the buildings qualify for an exception to the 10-year rule.
3. ☐ Attorney's Opinion Letter enclosed.

L. Rehabilitation Credit Information (check whichever is applicable)

1. ☒ All buildings in the development satisfy the 10% basis requirement of IRC Section 42(e)(3)(A)(i).
2. ☒ All buildings in the development satisfy the minimum \$3000 rehab cost per unit requirement of IRC Section 42(e)(3)(A)(ii).
3. ☐ All buildings in the development qualify for the IRC Section 42(e)(3)(B) exception to the 10% basis requirement (4% credit only).

footnotes: _____

4. ☐ All buildings in the development qualify for the IRC Section 42(f)(5)(B)(ii)(II) exception to the \$3000 per unit requirement (\$2000 per unit required instead; 4% credit only).
5. ☐ Different circumstances for different buildings: see above, attach a separate sheet and explain for each building.

M. Relocation Information. Provide information concerning any relocation of existing tenants.

1. Does this Development involve any relocation of existing tenants? ☐ Yes ☒ No
- Will existing tenants be relocated within the development during rehabilitation? ☐ Yes ☐ No

If yes to either question above, please describe the proposed relocation plan and/or assistance.
Please provide in Tab Z.

footnotes: _____

N. Development Information

1. Rental Housing Tax Credit and/or Multifamily Tax-Exempt Bond Unit Breakdowns

Indicate if the development will be subject to additional income restrictions and/or rent restrictions:

☐ Income Restrictions (Final Application only - for Developments funded prior to 2002)

☒ Rent Restrictions

List number of units and square footage of units for each income category in development								
		120000	40000	20000	10000	5000	Total	%
0% AMI	# Units	2	2				4	11%
	# Bdrms.	0	2	0	0	0	2	4%
	Sq. Footage	375	675					
	Total. Sq. Footage	750	1,350				2,100	
0-40% AMI	# Units		4	4			8	23%
	# Bdrms.	0	4	8	0	0	12	24%
	Sq. Footage		675	875				
	Total. Sq. Footage		2,700	3,500			6,200	
50% AMI	# Units		9	9			18	51%
	# Bdrms.	0	9	18	0	0	27	55%
	Sq. Footage		675	875				
	Total. Sq. Footage		6,075	7,875			13,950	
60% AMI	# Units			1			1	3%
	# Bdrms.	0	0	2	0	0	2	4%
	Sq. Footage			875				
	Total. Sq. Footage			875			875	
Market Rate	# Units		2	2			4	11%
	# Bdrms.	0	2	4	0	0	6	12%
	Sq. Footage		675	875				
	Total. Sq. Footage		1,350	1,750			3,100	
Development Total	# Units	2	17	16	0	0	35	100%
	# Bdrms.	0	17	32	0	0	49	100%
	Sq. Footage	750	11,475	14,000	0	0	26,225	100%

* No market rate units are permitted in scattered site developments per IRS Code Section 42(g)(7)

footnotes:

2. Structure and Units

a. List unit type(s) and number of bedroom(s) by bedroom size.

Unit Type	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
Substantial Rehabilitation				
Single Family (Infill) Scattered Site				
Historic Rehabilitation	12	7		
New Construction	7	9		

b. The Development's structural features are (check all that apply):

- ☐ Row House/Townhouse ☐ Garden Apartments ☐ Detached Single-Family
☐ Detached Two-Family ☐ Slab on Grade ☐ Basement
☐ Crawl Space Age of Structure Exist 66 years/with new construction
☒ Elevator Number of stories 3

c. The type(s) of unit is (are):

- ☒ Standard Residential Rental No. of Units 35
☐ Transient Housing for Homeless No. of Units _____
☐ Single Room Occupancy Housing (SRO) No. of Units _____
☐ Other No. of Units _____

- d. Gross Residential Floor Area (resident living space only) 26,725 Sq Ft.
 e. Gross Common Area (hallways, community space, ect.) 13,453 Sq Ft.
 f. Gross Floor Area (all buildings) [d + e] 40,178 Sq Ft.
 g. Gross Commercial Floor Area (if applicable) 2,176 Sq Ft.

h. Intended Use of Commercial Area (if applicable) Offices of Human Services
(Use additional sheets if necessary).

All commercial uses must be included in the Declaration of Extended Rental Housing Commitment. Additional information must be provided in Tab F of the application package detailing the square footage layout of the building and/or property, identifying all residential and commercial area; a time-line for complete construction showing that all commercial areas will be completed prior to the residential areas being occupied.

i. What percentage of the Development's rehabilitation or new construction, as the case may be, has been completed, based on the actual costs and expenses incurred to date as compared to the total estimated development costs?

_____ 1 % complete Costs incurred \$ 60,000

j. Total number of residential buildings in the Development: 2 building(s)

k. Will the development utilize a manager's unit (security, maintenance unit)?

☐ Yes ☒ No
 If yes, how will the unit be considered in the building's applicable fraction? ☐ Tax Credit Unit
 ☐ Common Area

If yes, Number of units requested _____

NOTE: If the manager's unit will be utilized as common area, then the unit must remain in the same building. Developments with market rate units will not be allowed to designate tax credit units as manager's, security, and/or maintenance units unless the tenant qualifies under Section 42 guidelines.

footnotes: _____

3. Amenities for Low-Income Units/Development Design

b. Please list community building and common space amenities.

Community room; lobby; laundry room; refuse collection; elevator

c. Please list site amenities (including recreational amenities).

Site landscaping

Are the amenities including recreational amenities for both low income and market rate units the same?

☒ Yes ☐ No

If no, attach a separate sheet and explain differences in Tab P.

4. Energy Efficiency

Are all the units within the Development equipped with Energy Star related materials and appliances?

☒ Yes ☐ No

If yes, please provide documentation in Tab F of the application package.

5. Is the Development currently a vacant structure being converted into affordable housing?

☒ Yes ☐ No

If yes, please provide documentation in Tab O of the application package.

footnotes:

4. Building-by-Building Information

Qualified basis must be determined on a building-by-building basis. Complete this section below. Building street addresses are required by the IRS (must provide by time of final allocation request).

Address (must include complete address)	Eligible Units (70% of total units)	Applicable Fraction (based on % of units)	Applicable Fraction (based on % of units)	Qualified Basis	Ratio (Units)	Ratio (Units)	Ratio (Units)
1. 115 Colescott Street Shelbyville, IN 46176 rehab		89%					
2. 115 Colescott Street Shelbyville, IN 46176 New construction		89%					
3.							
4.							
5.							
6.							
7.							
8.							
9.							
Totals	\$ -			\$ -			

* Applicable Fraction used in the Credit Calculation will be based on the % of the development which is low income. The lessor of the total % based on total number of units or total square footage.

footnotes:

Address (must include complete address)	Eligible Basis 70% PV	Applicable Exemption Category	Applicable Exemption Based on # of units	Qualified Basis	For Eligible Units	Placed in Service Date (mm/dd/yyyy)	Building Identification Number
10.							
11.							
12.							
13.							
14.							
15.							
16.							
17.							
18.							
Totals	\$ -			\$ -	0		

5. Unit Information (Final Allocation request only)

Please provide the following unit information for each building.

Address of Building: _____

Address and Unit Number (including city and zip code)	Current Tenant Income (Total of all income for all income earners in unit)	Monthly Rent Amount	Annual Allocated Cost (Full Annual Costs)	Profit
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

footnotes: _____

Please provide the following unit information for each building.

Address of Building: _____

Address and Unit Number Including city and zip code	Current Tenant Income (based on qualifying tenant income certification)	Monthly Rent Amount	Annual Allocated Credit Amount	High Bedrooms
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.				
10.				

6. Election of the Minimum Set Aside Requirement (this election is also made by the owner on IRS Form 8609): The Owner irrevocably elects **one** of the Minimum Set Aside Requirements

- ☐ At least 20% of the rental residential units in this Development are rent restricted and to be occupied by individuals whose income is 50% or less of the area median gross income (if this election is chosen, all tax credit units must be rented to tenants at 50% area median income or below)
- ☒ At least 40% of the rental residential units in this Development are rent restricted and to be occupied by individuals whose income is 60% or less of the area median gross income.
- ☐ Deep Rent Skewing option as defined in Section 42.

footnotes: _____

O. Development Schedule

Activity	Anticipated Dates	Actual Dates (month and year)
1. Site		
Option/Contract		1-04
Site Acquisition	7-05	
Zoning		1-04
Site Plan Approval	10-05	
2. Financing		
a. Construction Loan		
Loan Application		1-04
Conditional Commitment		1-05
Firm Commitment	7-05	
Loan Closing	10-05	
b. Permanent Loan		
Loan Application		1-04
Conditional Commitment		1-05
Firm Commitment	7-05	
Loan Closing	4-08	
c. Other Loans and Grants		
Type & Source, List <u>IHFA HOME</u>		
Application Date		2-05
Conditional Commitment	5-05	
Firm Commitment	10-05	
d. Other Loans and Grants		
Type & Source, List <u>AHP</u>		
Application Date	9-05	
Conditional Commitment	12-05	
Firm Commitment	12-05	
e. Other Loans and Grants		
Type & Source, List		
Application Date		
Conditional Commitment		
Firm Commitment		
3. Formation of Owner	7-05	
4. IRS Approval of Not-for-Profit Status		8-67
5. Transfer of Property to Owner	10-05	
6. Plans and Specifications, Working Drawings	10-05	
7. Building Permit Issued by Local Government	10-05	
8. Construction Starts	10-05	
9. Completion of Construction	10-06	
10. Lease-Up	7-07	
11. Credit Placed in Service Date(s) (month and year must be provided)	10-06	

footnotes: _____

P. Extended Rental Housing Commitment (Please check all that apply)

Tax Credit

1. ☒ This development will be subject to the 15 year Extended Use Agreement in addition to the mandatory 15 year Compliance Period (30 years).
2. ☐ This development will be subject to an additional _____ (must be greater than 15 years) year Extended Use Agreement in addition to the mandatory 15-year Compliance Period.
3. ☐ This development will be subject to the standard 15 year Compliance Period as part of a Lease Purchase Program (all units must be single family detached structures) and will offer homeownership opportunities to qualified tenants after compliance period. See IRS Revenue Ruling 95-48 and IHFA Declaration of Extended Rental Housing Commitment.

Q. Special Housing Needs

1. Will this development be classified as Elderly Housing*? ☒ Yes ☐ No
2. Identify the number of units set aside for special housing needs below*:

Special Needs	# of Units
Homeless*	
Persons with disabilities*	4

* This requirement will be contained within the Declaration of Rental Housing Commitment recorded on the property.

R. Community or Government Support

1. List the political jurisdiction in which the development is to be located and the name and address of the chief executive officer thereof:

Political Jurisdiction (name of City or County) Shelbyville
 Chief Executive Officer (name and title) Mayor Scott Furgeson
 Street Address 44 West Washington Street
 City Shelbyville State IN Zip 46176

2. ☒ A commitment for local government funding for this Development in the amount of \$ 94,030 is located in Tab C of the application package.
3. ☒ Letters from the local governing jurisdiction which states that the development supports neighborhood preservation and other organized community improvement and revitalization programs, and which describes the specific target area and the plans for its preservation and improvements is provided in Tab U of the application package.

S. MBE/WBE Participation

1. ☐ Minorities or woman materially participate in the Ownership, development or management of the Development by holding more than 51% interest in the Development Ownership, development entity, contractor or management firm.
2. The appropriate box(es) is checked below, and
☐ A Certification from the State of Indiana and applicable contractor agreements with Fee Structure is provided in Tab T of the application package, and

footnotes: This is an infill project

- ☐ Evidence of the minority's Ownership interest, commitment from minority and/or Owner's agreement (if Owner is not a minority) to retain a minority as developer or manager is provided in Tab T of the application package.

☐ Owner
☐ Developer

☐ Management Entity (2 yr. min contract)
☐ Contractor

T. Income and Expenses

1. Rental Assistance

- a. Do or will any low-income units receive rental assistance?

☐ Yes ☒ No

If yes, indicate type of rental assistance and attach copy of rental assistance contract, if applicable:

☐ Section 8 HAP ☐ FmHA 515 Rental Assistance
☐ Section 8 Vouchers ☐ Other _____
☐ Section 8 Certificates

- b. Number of units (by number of bedrooms) receiving assistance:

____ (1) Bedroom ____ (2) Bedrooms
 ____ (3) Bedrooms ____ (4) Bedrooms

- c. Number of years rental assistance contract _____ Expiration date of contract. _____

- d. Does locality have a public housing waiting list?

☒ Yes ☐ No

If yes, you must provide the following information:

Organization which holds the public housing waiting list Human Services, Inc

Contact person (Name and title) Joy Baker or Richard Clark

Phone 812 372 8407 fax 812 378 7490

- e. What %, if any, of the units in the Development will be set aside for tenants with HUD Section 8 certificates or vouchers or who are on public housing waiting lists? _____

If a percentage of the units will be set aside for tenants with HUD Section 8 certificates or vouchers, please provide evidence that the developer and/or Development manager are familiar and knowledgeable with Section 8 rules and regulation; and the number and description of units to be set aside for tenants. (Please provide documentation in Tab R of the application package)

- f. Has the Owner executed a written agreement with the local or regional public housing representative to give priority to households on waiting lists for subsidized or public housing? ☒ Yes ☐ No

If yes, please provide documentation in Tab R of the application package.

footnotes: _____

2. Utilities and Rents
a. Monthly Utility Allowance Calculations

Utilities	Type of Utility (Gas, Electric, etc.)	Utilities Paid by	Enter Allowance Paid by Tenant ONLY				
			0 BR	1 BR	2 BR	3 BR	4 BR
Heating	electric	<input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant	26	36	51		
Air Conditioning	electric	<input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant	8	10	13		
Cooking	electric	<input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant	4	5	7		
Lighting	electric	<input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant	17	21	24		
Hot Water	electric	<input type="checkbox"/> Owner <input checked="" type="checkbox"/> Tenant	15	19	23		
Water	municipal	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant					
Sewer	municipal	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant					
Trash	private	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant					
Total Utility Allowance for Costs Paid by Tenant			\$ 70.00	\$ 91.00	\$ 118.00		

b. Source of Utility Allowance Calculation

☒ HUD ☐ FmHA 515
☐ PHA ☐ Utility Company (Provide letter from utility company)

NOTE: IRS regulations provide further guidance on how utility allowances must be determined.

c. List below the applicable rental housing tax credit monthly rent limits (based on the number of bedrooms) less the applicable utility allowance calculated in subpart 2.a. above:

	0 BR	1 BR	2 BR	3 BR	4 BR
Maximum Allowable Rent for Tenants at 30% AMI	\$ 336	\$ 361	\$ 433		
Minus Utility Allowance Paid by Tenant	\$ 70	\$ 91	\$ 118		
Equals Maximum Allowable rent for your Development	\$ 266	\$ 270	\$ 315	\$ -	\$ -
Maximum Allowable Rent for Tenants at 40% AMI	\$ 449	\$ 481	\$ 577		
Minus Utility Allowance Paid by Tenant	\$ 70	\$ 91	\$ 118		
Equals Maximum Allowable rent for your Development	\$ 379	\$ 390	\$ 459	\$ -	\$ -
Maximum Allowable Rent for Tenants at 50% AMI	\$ 561	\$ 601	\$ 721		
Minus Utility Allowance Paid by Tenant	\$ 70	\$ 91	\$ 118		
Equals Maximum Allowable rent for your Development	\$ 491	\$ 510	\$ 603	\$ -	\$ -
Maximum Allowable Rent for Tenants at 60% AMI	\$ 674	\$ 722	\$ 866		
Minus Utility Allowance Paid by Tenant	\$ 70	\$ 91	\$ 118		
Equals Maximum Allowable rent for your Development	\$ 604	\$ 631	\$ 748	\$ -	\$ -

footnotes:

- d. List below the maximum rent limits minus tenant-paid utilities for all HOME-Assisted, Trust Fund-Assisted, and/or HOME-Eligible, Non-assisted units in the development. (i.e., Trust Fund rent limits are the same as HOME rent limits.)

	Trust Fund	HOME	HOME-Eligible	Non-Assisted	Trust Fund	HOME
Maximum Allowable Rent for beneficiaries at 30% or less of area median income		\$ 336	\$ 361	\$ 433		
MINUS Utility Allowance Paid by Tenants		\$ 70	\$ 91	\$ 118		
Maximum Allowable Rent for Your Development	\$ -	\$ 266	\$ 270	\$ 315	\$ -	\$ -
Maximum Allowable Rent for beneficiaries at 40% or less of area median income		\$ 393	\$ 481	\$ 577		
MINUS Utility Allowance Paid by Tenants		\$ 70	\$ 91	\$ 118		
Maximum Allowable Rent for Your Development	\$ -	\$ 323	\$ 390	\$ 459	\$ -	\$ -
Maximum Allowable Rent for beneficiaries at 50% or less of area median income		\$ 393	\$ 492	\$ 592		
MINUS Utility Allowance Paid by Tenants		\$ 70	\$ 91	\$ 118		
Maximum Allowable Rent for Your Development	\$ -	\$ 323	\$ 401	\$ 474	\$ -	\$ -
Maximum Allowable Rent for beneficiaries at 60% or less of area median income		\$ 393	\$ 492	\$ 592		
MINUS Utility Allowance Paid by Tenants		\$ 70	\$ 91	\$ 118		
Maximum Allowable Rent for Your Development	\$ -	\$ 323	\$ 401	\$ 474	\$ -	\$ -

e. Estimated Rents and Rental Income

1. Total Number of Low-Income Units 4 (30% Rent Maximum)

Trust Fund	HOME	RHTC	Unit Type	Number of Beds	Number of Units	Net Sq. Ft. of Unit	Monthly Rent per Unit	Total Monthly Rent
Yes/No	Yes/No	Yes/No	# of bedrooms					
No	Yes	Yes	Efficiency	1	2	375	266	\$ 532
No	Yes	Yes	1	1	2	675	270	\$ 540
			Bedrooms					\$ -
			Bedrooms					\$ -
			Bedrooms					\$ -
			Bedrooms					\$ -
Other Income Source								
Other Income Source								
Other Income Source								
Total Monthly Income								\$ 1,072
Annual Income								\$ 12,864

footnotes:

2. Total number of Low-Income Units 8 (40% Rent Maximum)

Yes/No	Yes/No	Yes/No	# of bedrooms	Number of Baths	Number of Units	Net Sq. Ft. of Unit	Monthly Rent per Unit	Total Monthly Rent per Unit
No	Yes	Yes	1 Bedrooms	1	4	675	350	\$ 1,400
No	Yes	Yes	2 Bedrooms	1	4	875	459	\$ 1,836
			Bedrooms					\$ -
			Bedrooms					\$ -
			Bedrooms					\$ -
			Bedrooms					\$ -
Other Income Source								
Other Income Source								
Other Income Source								
Total Monthly Income								\$ 3,236
Annual Income								\$ 38,832

3. Total number of Low-Income Units 18 (50% Rent Maximum)

Yes/No	Yes/No	Yes/No	# of bedrooms	Number of Baths	Number of Units	Net Sq. Ft. of Unit	Monthly Rent per Unit	Total Monthly Rent per Unit
No	Yes	Yes	1 Bedrooms	1	1	675	350	\$ 350
No	No	Yes	1 Bedrooms	1	8	675	350	\$ 2,800
No	No	Yes	2 Bedrooms	1	9	875	550	\$ 4,950
			Bedrooms					\$ -
			Bedrooms					\$ -
			Bedrooms					\$ -
Other Income Source								
Other Income Source								
Other Income Source								
Total Monthly Income								\$ 8,100
Annual Income								\$ 97,200

footnotes:

4. Total number of Low-Income Units 1 (60% Rent Maximum)

Trust Fund	HOME	RHTC	Unit Type	Number of Baths	Number of Units	Net Sq. Ft. of Unit	Monthly Rent per Unit	Total Monthly Rent per Unit
Yes/No	Yes/No	Yes/No	# of bedrooms					
			Bedrooms					\$ -
No	No	Yes	2 Bedrooms	1	1	875	550	\$ 550
			Bedrooms					\$ -
			Bedrooms					\$ -
			Bedrooms					\$ -
			Bedrooms					\$ -
Other Income Source								
Other Income Source								
Other Income Source								
Total Monthly Income								\$ 550
Annual Income								\$ 6,600

5. Total Number of Market Rate Units 4

Trust Fund	HOME	RHTC	Unit Type	Number of Baths	Number of Units	Net Sq. Ft. of Unit	Monthly Rent per Unit	Total Monthly Rent per Unit
Yes/No	Yes/No	Yes/No	# of bedrooms					
			1 Bedrooms	1	2	675	395	\$ 790
			2 Bedrooms	1	2	875	595	\$ 1,190
			Bedrooms					\$ -
			Bedrooms					\$ -
			Bedrooms					\$ -
			Bedrooms					\$ -
Other Income Source								
Other Income Source								
Other Income Source								
Total Monthly Income								\$ 1,980
Annual Income								\$ 23,760

footnotes:

Pearson Place-Shelbyville

Commercial Space Income and Expense Assumptions

The commercial space is intended to have a single user, Human Services, Inc., the sponsor of this application. Human Services will sign a 15-year lease so there will be no commercial space vacancy, nor are rents forecast to increase. Rent is forecast triple net.

The lease will be on a triple net basis, meaning any expenses related to the commercial space will be billed through and paid by Human Services. Therefore, no operating expenses are shown except for minimal insurance, audit, property management and replacement reserve contributions.

The balance of operating expenses for the commercial space will be paid by the commercial tenant, Human Services.

When you look at the combined commercial and housing pro forma, the project meets IHFA guidelines throughout the 15 year period. The only commercial space is office space for Human Services, for which they will execute a fifteen year lease at approximately \$10,400 per year. We believe this pro-forma is the one IHFA should use in underwriting this project.

Allocation of Commercial and Residential Costs

The application attempts to reasonably allocate sources and uses between the residential and commercial portions of the development. The application allocates costs that relate solely to either commercial or residential areas solely to that use. For example, the IHFA tax credit reservation fee, which is only applicable to the residential units, is charged 100% to residential development costs.

Once total development costs were determined then sources of funds to pay those respective costs were determined. HOME funds, AHP funds and low income housing tax credit equity were used only to pay for residential costs.

Commercial costs are paid by historic tax credit equity, debt and deferral of a portion of the development fee associated with the commercial space.

The Projections for Financial Feasibility for commercial and residential were then prepared and reflect payment on the respective share of the debt calculated in deriving development sources and uses as outlined above.

Pearson Place-Shelbyville

Debt Service Coverage Ratios

Debt Service Coverage Ratios for the first mortgage loan are not within IHFA Underwriting Guidelines. After consideration of the payment on the Deferred Development Fee they are within IHFA Underwriting Guidelines. In the early years this is caused by tax abatement.

The Housing only 15 year pro-forma shows positive cash flow the entire 15 year period servicing the entire debt of the project. When you adjust for the overstatement of the property management fee, inflated too high over the 15 years, the debt service coverage for the entire debt, with just housing revenue, is much closer to the IHFA guidelines in the last two years.

When you look at the combined commercial and housing pro forma, the project meets IHFA guidelines throughout the 15 year period. The only commercial space is office space for Human Services, for which they will execute a fifteen year lease at approximately \$10,400 per year. We believe this pro-forma is the one IHFA should use in underwriting this project.

Our purposeful decision was to not borrow as much money from a third party lender but instead to defer a significant portion of the development fee and to be patient for the repayment of that development fee from the successful operation of the apartments.

Page 35 of the RHTC application, the 15 year pro forma, reflects that the Deferred Development Fee will not be entirely repaid from available cash flow. A small capital contribution will be needed from the General Partner to pay the remaining unpaid balance of the Development Fee.

We believe this financing structure addresses the long-term operating stability of the development. Reuse of an old school building leaves large areas of common space that produce no income yet must be heated and maintained and add to the property tax assessment. These units carry long compliance periods. Purposely rents are targeted to very low-income senior households, which in turn limits gross income. The ever-increasing property tax burdens, phasing out of property tax abatement and rising insurance costs, along with the cost to maintain the project to high quality standards over the entire compliance period, requires long range financial planning and preparation.

We feel our project financing structure addresses long-term operating stability and insures continued viability of the entire development.

6. Summary of Estimated Rents and Rental Income

Annual Income (30% Rent Maximum)	\$	12,864
Annual Income (40% Rent Maximum)	\$	38,832
Annual Income (50% Rent Maximum)	\$	97,200
Annual Income (60% Rent Maximum)	\$	6,600
Annual Income (Market Rate Units)	\$	34,160
Potential Gross Income	\$	189,656
Less Vacancy Allowance <u>6%</u>	\$	<u>11,379</u>

Effective Gross Income \$ 178,277

What is the estimated average annual % increase in income over the Compliance Period? 3%

U. Annual Expense Information

(Check one) ☒ Housing OR ☒ Commercial

<u>Administrative</u>		<u>Operating</u>	
1. Advertising	\$ 500	1. Elevator	\$ 2,000
2. Management	\$ 12,003	2. Fuel (heating & hot water)	
3. Legal/Partnership	\$ 2,500	3. Electricity	\$ 10,000
4. Accounting/Audit	\$ 2,750	4. Water/Sewer	\$ 2,000
5. Compliance Mont.	\$ 6,500	5. Gas	
Total Administrative	\$ 24,253	6. Trash Removal	\$ 1,800
<u>Maintenance</u>		7. Payroll/Payroll Taxes	\$ 4,000
1. Decorating	\$ 3,000	8. Insurance	\$ 13,000
2. Repairs	\$ 19,500	9. Real Estate Taxes*	\$ 26,250
3. Exterminating	\$ 2,400	10. Other Tax	
4. Ground Expense	\$ 2,400	11. Annual Replacement Reserve	\$ 11,800
5. Other		12. Other	
Total Maintenance	\$ 27,300	Total Operating	\$ 70,850
Total Annual Administrative Expenses:	\$ 24,253	Per Unit	\$ 693
Total Annual Maintenance Expenses:	\$ 27,300	Per Unit	\$ 780
Total Annual Operating Expenses:	\$ 70,850	Per Unit	\$ 2,024
TOTAL OPERATING EXPENSES (Administrative + Operating + Maintenance)	\$ 122,403	Per Unit	\$ 3,497
What is the estimated average annual percentage increase in expenses for the next 15 years?		<u>4%</u>	
What is the annual percentage increase for replacement reserves for the next 15 years?		<u>4%</u>	

* List full tax liability for the property - do not reflect tax abatement.

footnotes: Combined commercial and housing

V. Projections for Financial Feasibility

Check one: ☒ Housing
☒ Commercial

15 Year Projections of Cash Flow	Year 1	Year 2	Year 3	Year 4	Year 5
1. Potential Gross Income	\$ 189,656	\$ 195,346	\$ 201,206	\$ 207,242	\$ 213,460
2. Less Vacancy Loss	\$ (11,379)	\$ (11,721)	\$ (12,072)	\$ (12,435)	\$ (12,808)
3. Effective Gross Income (1-2)	\$ 178,277	\$ 183,625	\$ 189,134	\$ 194,808	\$ 200,652
4. Less Operating Expenses	\$ (110,603)	\$ (115,027)	\$ (119,628)	\$ (124,413)	\$ (129,390)
5. Less Replacement Reserves	\$ (11,800)	\$ (12,272)	\$ (12,763)	\$ (13,273)	\$ (13,804)
6. Plus Tax Abatement (increase by expense rate if applicable)	\$ 18,996	\$ 18,046	\$ 15,197	\$ 12,347	\$ 9,498
7. Net Income (3-4-5+6)	\$ 74,870	\$ 74,372	\$ 71,940	\$ 69,468	\$ 66,956
8.a. Less Debt Service #1	\$ 42,985	\$ 42,985	\$ 42,985	\$ 42,985	\$ 42,985
8.b. Less Debt Service #2					
9. Cash Flow (7-8)	\$ 31,885	\$ 31,387	\$ 28,955	\$ 26,483	\$ 23,971
10. Debt Coverage Ratio (7/(8a+8b))	1.74	1.73	1.67	1.62	1.56
11. Deferred Developer Fee Payment	\$ 25,305	\$ 24,910	\$ 22,445	\$ 20,372	\$ 18,160
12. Cash Flow after Def. Dev. Fee Pmt.	\$ 6,579	\$ 6,477	\$ 6,509	\$ 6,111	\$ 5,811
13. Debt Coverage Ratio	1.10	1.10	1.10	1.10	1.10
	Year 6	Year 7	Year 8	Year 9	Year 10
1. Potential Gross Income	\$ 219,863	\$ 226,459	\$ 233,253	\$ 240,251	\$ 247,458
2. Less Vacancy Loss	\$ (13,192)	\$ (13,588)	\$ (13,995)	\$ (14,415)	\$ (14,847)
3. Effective Gross Income (1-2)	\$ 206,672	\$ 212,872	\$ 219,258	\$ 225,836	\$ 232,611
4. Less Operating Expenses	\$ (134,565)	\$ (139,948)	\$ (145,546)	\$ (151,368)	\$ (157,423)
5. Less Replacement Reserves	\$ (14,357)	\$ (14,931)	\$ (15,528)	\$ (16,149)	\$ (16,795)
6. Plus Tax Abatement (increase by expense rate if applicable)	7598	5699	3799	1899	950
7. Net Income (3-4-5+6)	\$ 65,348	\$ 63,692	\$ 61,983	\$ 60,218	\$ 59,343
8.a. Less Debt Service #1	\$ 42,985	\$ 42,985	\$ 42,985	\$ 42,985	\$ 42,985
8.b. Less Debt Service #2					
9. Cash Flow (7-8)	\$ 22,363	\$ 20,707	\$ 18,998	\$ 17,233	\$ 16,358
10. Debt Coverage Ratio (7/(8a+8b))	1.52	1.48	1.44	1.40	1.38
11. Deferred Developer Fee Payment	\$ 16,688	\$ 15,005	\$ 13,379	\$ 11,803	\$ 10,905
12. Cash Flow after Def. Dev. Fee Pmt.	\$ 5,674	\$ 5,702	\$ 5,619	\$ 5,429	\$ 5,453
13. Debt Coverage Ratio	1.10	1.10	1.10	1.10	1.10
	Year 11	Year 12	Year 13	Year 14	Year 15
1. Potential Gross Income	\$ 254,882	\$ 262,528	\$ 270,404	\$ 278,516	\$ 286,872
2. Less Vacancy Loss	\$ (15,293)	\$ (15,752)	\$ (16,224)	\$ (16,711)	\$ (17,212)
3. Effective Gross Income (1-2)	\$ 239,589	\$ 246,777	\$ 254,180	\$ 261,805	\$ 269,659
4. Less Operating Expenses	\$ (163,719)	\$ (170,268)	\$ (177,079)	\$ (184,162)	\$ (191,529)
5. Less Replacement Reserves	\$ (17,467)	\$ (18,166)	\$ (18,892)	\$ (19,648)	\$ (20,434)
6. Plus Tax Abatement (increase by expense rate if applicable)					
7. Net Income (3-4-5+6)	\$ 58,403	\$ 58,343	\$ 58,209	\$ 57,995	\$ 57,697
8.a. Less Debt Service #1	\$ 42,985	\$ 42,985	\$ 42,985	\$ 42,985	\$ 42,985
8.b. Less Debt Service #2					
9. Cash Flow (7-8)	\$ 15,418	\$ 15,358	\$ 15,224	\$ 15,010	\$ 14,712
10. Debt Coverage Ratio (7/(8a+8b))	1.36	1.36	1.35	1.35	1.34
11. Deferred Developer Fee Payment	\$ 10,278	\$ 10,171	\$ 9,886	\$ 9,747	\$ 9,431
12. Cash Flow after Def. Dev. Fee Pmt.	\$ 5,139	\$ 5,187	\$ 5,338	\$ 5,263	\$ 5,281
13. Debt Coverage Ratio	1.10	1.10	1.10	1.10	1.10

The above Projections utilize the estimated annual percentage increases in income.

footnotes:

Combined commercial & housing--The only projections reflecting payments on deferred development fee

6. Summary of Estimated Rents and Rental Income

Annual Income (30% Rent Maximum)	\$	-
Annual Income (40% Rent Maximum)	\$	-
Annual Income (50% Rent Maximum)	\$	-
Annual Income (60% Rent Maximum)	\$	-
Annual Income (Market Rate Units)	\$	10,400
Potential Gross Income	\$	10,400
Less Vacancy Allowance <u>0%</u>	\$	-
Effective Gross Income	\$	10,400

What is the estimated average annual % increase in income over the Compliance Period? 0%

U. Annual Expense Information

(Check one) ☐ Housing OR ☒ Commercial

<u>Administrative</u>		<u>Operating</u>	
1. Advertising		1. Elevator	
2. Management	\$ 208	2. Fuel (heating & hot water)	
3. Legal/Partnership		3. Electricity	
4. Accounting/Audit	\$ 250	4. Water/Sewer	
5. Compliance Mont.		5. Gas	
Total Administrative	\$ 458	6. Trash Removal	
<u>Maintenance</u>		7. Payroll/Payroll Taxes	
1. Decorating		8. Insurance	\$ 1,000
2. Repairs		9. Real Estate Taxes*	
3. Exterminating		10. Other Tax	
4. Ground Expense		11. Annual Replacement Reserve	\$ 1,300
5. Other		12. Other	
Total Maintenance	\$ -	Total Operating	\$ 2,300
Total Annual Administrative Expenses:	\$ 458	Per Unit	#DIV/0!
Total Annual Maintenance Expenses:	\$ -	Per Unit	#DIV/0!
Total Annual Operating Expenses:	\$ 2,300	Per Unit	#DIV/0!
TOTAL OPERATING EXPENSES (Administrative + Operating + Maintenance)		\$ 2,758	Per Unit #DIV/0!
What is the estimated average annual percentage increase in expenses for the next 15 years?		<u>3%</u>	
What is the annual percentage increase for replacement reserves for the next 15 years?		<u>0%</u>	

* List full tax liability for the property - do not reflect tax abatement.

footnotes: Human Services, applicant and owner, will sign a 15 year lease for the commercial space.

V. Projections for Financial Feasibility

Check one: ☐ Housing
☒ Commercial

	Year 1	Year 2	Year 3	Year 4	Year 5
1. Potential Gross Income	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400
2. Less Vacancy Loss	\$ -	\$ -	\$ -	\$ -	\$ -
3. Effective Gross Income (1-2)	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400
4. Less Operating Expenses	\$ (1,458)	\$ (1,502)	\$ (1,547)	\$ (1,593)	\$ (1,641)
5. Less Replacement Reserves	\$ (1,300)	\$ (1,300)	\$ (1,300)	\$ (1,300)	\$ (1,300)
6. Plus Tax Abatement (increase by expense rate if applicable)					
7. Net Income (3-4-5+6)	\$ 7,642	\$ 7,598	\$ 7,553	\$ 7,507	\$ 7,459
8.a. Less Debt Service #1					
8.b. Less Debt Service #2					
9. Cash Flow (7-8)	\$ 7,642	\$ 7,598	\$ 7,553	\$ 7,507	\$ 7,459
10. Debt Coverage Ratio (7/(8a+8b))	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
11. Deferred Developer Fee Payment					
12. Cash Flow after Def. Dev. Fee Pmt.	\$ 7,642	\$ 7,598	\$ 7,553	\$ 7,507	\$ 7,459
13. Debt Coverage Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Year 6	Year 7	Year 8	Year 9	Year 10
1. Potential Gross Income	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400
2. Less Vacancy Loss	\$ -	\$ -	\$ -	\$ -	\$ -
3. Effective Gross Income (1-2)	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400
4. Less Operating Expenses	\$ (1,690)	\$ (1,741)	\$ (1,793)	\$ (1,847)	\$ (1,902)
5. Less Replacement Reserves	\$ (1,300)	\$ (1,300)	\$ (1,300)	\$ (1,300)	\$ (1,300)
6. Plus Tax Abatement (increase by expense rate if applicable)					
7. Net Income (3-4-5+6)	\$ 7,410	\$ 7,359	\$ 7,307	\$ 7,253	\$ 7,198
8.a. Less Debt Service #1					
8.b. Less Debt Service #2					
9. Cash Flow (7-8)	\$ 7,410	\$ 7,359	\$ 7,307	\$ 7,253	\$ 7,198
10. Debt Coverage Ratio (7/(8a+8b))	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
11. Deferred Developer Fee Payment					
12. Cash Flow after Def. Dev. Fee Pmt.	\$ 7,410	\$ 7,359	\$ 7,307	\$ 7,253	\$ 7,198
13. Debt Coverage Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
	Year 11	Year 12	Year 13	Year 14	Year 15
1. Potential Gross Income	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400
2. Less Vacancy Loss	\$ -	\$ -	\$ -	\$ -	\$ -
3. Effective Gross Income (1-2)	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400	\$ 10,400
4. Less Operating Expenses	\$ (1,959)	\$ (2,018)	\$ (2,079)	\$ (2,141)	\$ (2,205)
5. Less Replacement Reserves	\$ (1,300)	\$ (1,300)	\$ (1,300)	\$ (1,300)	\$ (1,300)
6. Plus Tax Abatement (increase by expense rate if applicable)					
7. Net Income (3-4-5+6)	\$ 7,141	\$ 7,082	\$ 7,021	\$ 6,959	\$ 6,895
8.a. Less Debt Service #1					
8.b. Less Debt Service #2					
9. Cash Flow (7-8)	\$ 7,141	\$ 7,082	\$ 7,021	\$ 6,959	\$ 6,895
10. Debt Coverage Ratio (7/(8a+8b))	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!
11. Deferred Developer Fee Payment					
12. Cash Flow after Def. Dev. Fee Pmt.	\$ 7,141	\$ 7,082	\$ 7,021	\$ 6,959	\$ 6,895
13. Debt Coverage Ratio	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!	#DIV/0!

The above Projections utilize the estimated annual percentage increases in income.

footnotes:

Single tenant, Human Services the applicant/owner, signing a fifteen year lease for the space

6. Summary of Estimated Rents and Rental Income

Annual Income (30% Rent Maximum)	\$	12,864
Annual Income (40% Rent Maximum)	\$	38,832
Annual Income (50% Rent Maximum)	\$	97,200
Annual Income (60% Rent Maximum)	\$	6,600
Annual Income (Market Rate Units)	\$	23,760
Potential Gross Income	\$	179,256
Less Vacancy Allowance <u>6%</u>	\$	<u>10,755</u>
Effective Gross Income	\$	168,501

What is the estimated average annual % increase in income over the Compliance Period? 3%

U. Annual Expense Information

(Check one) ☒ Housing OR ☐ Commercial

<u>Administrative</u>		<u>Operating</u>	
1. Advertising	\$ 500	1. Elevator	\$ 2,000
2. Management	\$ 11,795	2. Fuel (heating & hot water)	
3. Legal/Partnership	\$ 2,500	3. Electricity	\$ 10,000
4. Accounting/Audit	\$ 2,500	4. Water/Sewer	\$ 2,000
5. Compliance Mont.	\$ 6,500	5. Gas	
Total Administrative	\$ 23,795	6. Trash Removal	\$ 1,800
		7. Payroll/Payroll Taxes	\$ 4,000
<u>Maintenance</u>		8. Insurance	\$ 12,000
1. Decorating	\$ 3,000	9. Real Estate Taxes*	\$ 26,250
2. Repairs	\$ 19,500	10. Other Tax	
3. Exterminating	\$ 2,400	11. Annual Replacement Reserve	\$ 10,500
4. Ground Expense	\$ 2,400	12. Other	
5. Other		Total Operating	\$ 68,550
Total Maintenance	\$ 27,300		
Total Annual Administrative Expenses:	\$ 23,795	Per Unit	\$ 680
Total Annual Maintenance Expenses:	\$ 27,300	Per Unit	\$ 780
Total Annual Operating Expenses:	\$ 68,550	Per Unit	\$ 1,959
TOTAL OPERATING EXPENSES (Administrative + Operating + Maintenance)	\$ 119,645	Per Unit	\$ 3,418
What is the estimated average annual percentage increase in expenses for the next 15 years?		<u>4%</u>	
What is the annual percentage increase for replacement reserves for the next 15 years?		<u>4%</u>	

* List full tax liability for the property - do not reflect tax abatement.

footnotes: See supplemental analysis to adjust for overstatement of management fee

V. Projections for Financial Feasibility

Check one: ☒ Housing
☐ Commercial

Year	Year 1	Year 2	Year 3	Year 4	Year 5
1. Potential Gross Income	\$ 179,256	\$ 184,634	\$ 190,173	\$ 195,878	\$ 201,754
2. Less Vacancy Loss	\$ (10,755)	\$ (11,078)	\$ (11,410)	\$ (11,753)	\$ (12,105)
3. Effective Gross Income (1-2)	\$ 168,501	\$ 173,556	\$ 178,762	\$ 184,125	\$ 189,649
4. Less Operating Expenses	\$ (109,145)	\$ (113,511)	\$ (118,051)	\$ (122,773)	\$ (127,684)
5. Less Replacement Reserves	\$ (10,500)	\$ (10,920)	\$ (11,357)	\$ (11,811)	\$ (12,284)
6. Plus Tax Abatement (increase by expense rate if applicable)	\$ 18,996	\$ 18,046	\$ 15,197	\$ 12,347	\$ 9,498
7. Net Income (3-4-5+6)	\$ 67,852	\$ 67,171	\$ 64,551	\$ 61,888	\$ 59,179
8.a. Less Debt Service #1	\$ 42,985	\$ 42,985	\$ 42,985	\$ 42,985	\$ 42,985
8.b. Less Debt Service #2					
9. Cash Flow (7-8)	\$ 24,867	\$ 24,186	\$ 21,566	\$ 18,903	\$ 16,194
10. Debt Coverage Ratio (7/(8a+8b))	1.58	1.56	1.50	1.44	1.38
11. Deferred Developer Fee Payment					
12. Cash Flow after Def. Dev. Fee Pmt.	\$ 24,867	\$ 24,186	\$ 21,566	\$ 18,903	\$ 16,194
13. Debt Coverage Ratio	1.58	1.56	1.50	1.44	1.38
Year	Year 6	Year 7	Year 8	Year 9	Year 10
1. Potential Gross Income	\$ 207,807	\$ 214,041	\$ 220,462	\$ 227,076	\$ 233,888
2. Less Vacancy Loss	\$ (12,468)	\$ (12,842)	\$ (13,228)	\$ (13,625)	\$ (14,033)
3. Effective Gross Income (1-2)	\$ 195,338	\$ 201,199	\$ 207,235	\$ 213,452	\$ 219,855
4. Less Operating Expenses	\$ (132,792)	\$ (138,103)	\$ (143,627)	\$ (149,372)	\$ (155,347)
5. Less Replacement Reserves	\$ (12,775)	\$ (13,286)	\$ (13,817)	\$ (14,370)	\$ (14,945)
6. Plus Tax Abatement (increase by expense rate if applicable)	7598	5699	3799	1899	950
7. Net Income (3-4-5+6)	\$ 57,370	\$ 55,508	\$ 53,589	\$ 51,608	\$ 50,513
8.a. Less Debt Service #1	\$ 42,985	\$ 42,985	\$ 42,985	\$ 42,985	\$ 42,985
8.b. Less Debt Service #2					
9. Cash Flow (7-8)	\$ 14,385	\$ 12,523	\$ 10,604	\$ 8,623	\$ 7,528
10. Debt Coverage Ratio (7/(8a+8b))	1.33	1.29	1.25	1.20	1.18
11. Deferred Developer Fee Payment					
12. Cash Flow after Def. Dev. Fee Pmt.	\$ 14,385	\$ 12,523	\$ 10,604	\$ 8,623	\$ 7,528
13. Debt Coverage Ratio	1.33	1.29	1.25	1.20	1.18
Year	Year 11	Year 12	Year 13	Year 14	Year 15
1. Potential Gross Income	\$ 240,905	\$ 248,132	\$ 255,576	\$ 263,243	\$ 271,141
2. Less Vacancy Loss	\$ (14,454)	\$ (14,888)	\$ (15,335)	\$ (15,795)	\$ (16,268)
3. Effective Gross Income (1-2)	\$ 226,451	\$ 233,244	\$ 240,242	\$ 247,449	\$ 254,872
4. Less Operating Expenses	\$ (161,561)	\$ (168,024)	\$ (174,745)	\$ (181,734)	\$ (189,004)
5. Less Replacement Reserves	\$ (15,543)	\$ (16,164)	\$ (16,811)	\$ (17,483)	\$ (18,183)
6. Plus Tax Abatement (increase by expense rate if applicable)					
7. Net Income (3-4-5+6)	\$ 49,347	\$ 49,056	\$ 48,686	\$ 48,231	\$ 47,686
8.a. Less Debt Service #1	\$ 42,985	\$ 42,985	\$ 42,985	\$ 42,985	\$ 42,985
8.b. Less Debt Service #2					
9. Cash Flow (7-8)	\$ 6,362	\$ 6,071	\$ 5,701	\$ 5,246	\$ 4,701
10. Debt Coverage Ratio (7/(8a+8b))	1.15	1.14	1.13	1.12	1.11
11. Deferred Developer Fee Payment					
12. Cash Flow after Def. Dev. Fee Pmt.	\$ 6,362	\$ 6,071	\$ 5,701	\$ 5,246	\$ 4,701
13. Debt Coverage Ratio	1.15	1.14	1.13	1.12	1.11

The above Projections utilize the estimated annual percentage increases in income.

footnotes:

See proforma adjusted for overstatement of property management fee inflation

Detailed Operating Budget

Pearson School with HOME \$500,000 and AHP																				
Rent Structure:	AMI	Number of Units	Max	Actual	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
					2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
2 Bedroom	marki	2		595	14,280	14,708	15,150	15,604	16,072	16,554	17,051	17,553	18,089	18,632	19,191	19,767	20,360	20,971	21,600	22,247
2 Bedroom	60%	1	\$748	550	6,600	6,788	7,002	7,212	7,428	7,651	7,881	8,117	8,361	8,612	8,870	9,136	9,410	9,692	9,982	10,282
2 Bedroom	50%	9	\$603	550	59,400	61,182	63,017	64,908	66,855	68,861	70,927	73,055	75,246	77,504	79,829	82,223	84,690	87,231	89,846	92,537
2 Bedroom HOME	40%	4	\$455	459	22,032	22,693	23,374	24,075	24,797	25,541	26,307	27,087	27,908	28,747	29,609	30,497	31,412	32,355	33,326	34,324
1 Bedroom	marki	2		355	9,480	9,764	10,057	10,359	10,670	10,990	11,320	11,659	12,009	12,369	12,740	13,123	13,516	13,922	14,338	14,764
1 Bedroom	60%	0	\$531	350	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
1 Bedroom	50%	8	\$510	350	33,600	34,608	35,646	36,716	37,817	38,952	40,120	41,324	42,563	43,840	45,156	46,510	47,906	49,343	50,822	52,343
1 Bedroom HOME	40%	1	\$398	350	4,200	4,326	4,456	4,589	4,727	4,869	5,015	5,165	5,320	5,480	5,644	5,814	5,988	6,168	6,352	6,541
1 Bedroom HOME	40%	4	\$300	350	16,800	17,304	17,823	18,358	18,909	19,476	20,060	20,662	21,282	21,920	22,578	23,255	23,953	24,671	25,412	26,177
1 Bedroom HOME	30%	2	\$270	276	6,480	6,674	6,875	7,081	7,293	7,512	7,737	7,970	8,209	8,455	8,709	8,970	9,239	9,516	9,802	10,097
Effc HOME	30%	2	\$266	266	6,384	6,576	6,773	6,976	7,185	7,401	7,623	7,852	8,087	8,330	8,580	8,837	9,102	9,375	9,656	9,945
Plus Commercial Revenue					179,256	184,634	190,173	195,878	201,754	207,807	214,041	220,462	227,076	233,888	240,905	248,132	255,576	263,243	271,141	279,273
Plus Tax Abatement					18,996	18,046	15,197	12,347	9,488	7,598	5,699	3,799	1,899	950	0	0	0	0	0	0
Total Revenues					198,252	202,680	205,370	208,225	211,252	215,405	219,740	224,261	228,975	234,838	240,905	248,132	255,576	263,243	271,141	279,273
Less: General Vacancy Residential Only					(10,705)	(11,078)	(11,410)	(11,753)	(12,105)	(12,468)	(12,842)	(13,228)	(13,626)	(14,033)	(14,454)	(14,889)	(15,335)	(15,795)	(16,268)	(16,755)
Net Revenues					187,497	191,602	193,959	196,472	199,147	202,936	206,898	211,034	215,351	220,805	226,451	233,244	240,242	247,449	254,872	262,518
Expenses																				
Administrative	\$10	Monthly	Annual		4,000	4,160	4,326	4,499	4,679	4,867	5,061	5,264	5,474	5,693	5,921	6,158	6,404	6,660	6,927	7,204
Payroll & Related	\$27		\$322		11,254	11,704	12,172	12,659	13,166	13,692	14,240	14,809	15,402	16,018	16,659	17,325	18,018	18,739	19,488	20,265
Accounting Fee	\$5		\$71		2,500	2,600	2,704	2,812	2,925	3,042	3,163	3,290	3,421	3,558	3,701	3,849	4,003	4,163	4,332	4,507
Legal/Audit/Tax Return	\$6		\$71		11,795	12,149	12,513	12,889	13,275	13,674	14,084	14,506	14,942	15,390	15,852	16,327	16,817	17,321	17,841	18,376
Compliance Monitoring	\$7		\$88		2,500	2,600	2,704	2,812	2,925	3,042	3,163	3,290	3,421	3,558	3,701	3,849	4,003	4,163	4,332	4,507
Utilities	\$33		\$400		3,000	3,120	3,245	3,375	3,510	3,650	3,796	3,948	4,106	4,270	4,441	4,618	4,803	4,995	5,194	5,399
Maintenance & Repairs	\$65		\$780		14,000	14,560	15,142	15,748	16,378	17,033	17,714	18,423	19,160	19,926	20,723	21,552	22,414	23,311	24,243	25,210
Trash Removal	\$4		\$51		27,300	28,992	29,528	30,709	31,937	33,215	34,543	35,925	37,362	38,856	40,411	42,027	43,708	45,457	47,275	49,160
Insurance	\$29		\$343		1,800	1,872	1,947	2,025	2,106	2,190	2,278	2,369	2,463	2,562	2,664	2,771	2,882	2,997	3,117	3,241
Real Estate Taxes	\$45		\$543		12,000	12,480	12,978	13,488	14,008	14,600	15,184	15,791	16,423	17,080	17,763	18,473	19,212	19,981	20,780	21,610
Replacement reserve	\$25		\$300		18,996	19,756	20,546	21,368	22,223	23,112	24,036	24,997	25,997	27,037	28,119	29,243	30,413	31,630	32,895	34,207
Total Operating Expense	\$285		\$3,418		10,500	10,920	11,357	11,811	12,284	12,775	13,286	13,817	14,370	14,945	15,543	16,164	16,811	17,483	18,183	18,918
Net Operating Income			per unit		119,645	124,313	129,164	134,205	139,445	144,890	150,549	156,450	162,544	168,894	175,486	182,357	189,488	196,900	204,602	212,610
Debt Service	\$500,000	30	7.75%		67,852	67,289	64,795	62,267	59,702	58,047	56,349	54,604	52,809	51,911	50,955	50,887	50,753	50,549	50,270	50,000
OSC					1.58	1.57	1.51	1.45	1.38	1.35	1.31	1.27	1.23	1.21	1.19	1.18	1.18	1.18	1.17	1.16

Commercial and Office Space: IHFA Rental Housing financing resources cannot be used to finance commercial space within a development. Income generated and expenses incurred from this space, though, must be factored into IHFA's underwriting for the development as a whole when reviewing the application. If the development involves the development of commercial space the applicant will need to provide separate annual operating expense information and a separate 15-year proforma for the commercial space. Be sure to label which forms are for the housing and which ones are for the commercial space. Also separate out all development costs associated with the commercial space on line M of the Development Costs chart.

W. Sources of Funds/Developments (Include any IHFA HOME and/or Trust Fund requests)

1. Construction Financing. List individually the sources of construction financing including any such loans financed through grant sources. Please provide documentation in Tab G.

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name and Telephone Number of Contact Person
1 Irwin Union Bridge Loan	1/1/2005	1/1/2005	\$ 3,200,000	Joe Hauersperger 398-5544
2 IHFA HOME	2/25/2005	5/26/2005	\$ 425,000	This application
3 ESIC	1/1/2005	1/1/2005	\$ 160,000	Sanjeev Jaipurkar 410 964 0552
4 AHP	4/15/2005	6/30/2005	\$ 500,000	Joe Hauersperger 398-5544
Total Amount of Funds			\$ 4,285,000	

2. Permanent Financing. List individually the sources of permanent financing including any such loans financed through grant sources. Please provide documentation in Tab G.

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Annual Debt Service	Interest Rate	Amortization Period	Term
1 IHFA HOME	2/25/2005	5/26/2005	\$ 500,000	cash flow	1.000%	30	30
2 Irwin Union	1/1/2005	1/1/2005	\$ 500,000	\$42,985	7.75%	30	18
3 AHP	4/15/2005	6/30/2005	\$ 500,000	cash flow	1%	30	30
4							
Total Amount of Funds			\$ 1,500,000				
Deferred Developer Fee			\$ 348,249	cash flow	0.00%	15	15

3. Grants. List all grants provided for the development. Provide documentation in Tab G.

Source of Funds	Date of Application	Date of Commitment	Amount of Funds	Name and Telephone Number of Contact Person
1				
2				
3				
4				
Total Amount of Funds			\$ -	

footnotes:

Total Sources of Permanent Funds Committed \$ 1,500,000

Total Annual Debt Service Cost \$ 42,985

4. Historic Tax Credits

Have you applied for a Historic Tax Credit? ☒ Yes ☐ No

If Yes, Please list amount \$ 594,060

If Yes, indicate date Part I of application was duly filed: 1/13/2004 (Must be included with application. Please provide in Tab U.)

5. Other Sources of Funds (excluding any syndication proceeds)

a. Source of Funds _____ Amount _____

b. Timing of Funds _____

c. Actual or Anticipated Name of Other Source _____

d. Contact Person _____ Phone _____

6. Sources and Uses Reconciliation

Limited Partner Equity Investment*	\$ 2,748,205
General Partner Investment	
Total Equity Investment	\$ 2,748,205
Total Permanent Financing	\$ 1,500,000
Deferred Developer Fee	\$ 348,249
Other <u>Historic credit equity</u>	\$ 570,298
Other _____	
Total Source of Funds	\$ 5,166,752
Total Uses of Funds	\$ 5,166,752

NOTE: Sources and Uses MUST EQUAL

*Load Fees included in Equity Investment ☐ Yes ☐ No
Load Fees _____

footnotes: _____

7. Intermediary Information

- a. Actual or Anticipated Name of Intermediary
(e.g., Syndicator, act.) ESIC

Contact Person Sanjeev Jaipuria

Phone 410 964 0552

Street Address 10227 Wincopin Circle, Suite 800

City Columbia State MD Zip 21044-3400

- b. Investors: Individuals and/or Corporate, or undetermined at this time
- c. As a percentage of the total credits to be received throughout the compliance period (assuming no recapture, should be the annual amount of credit times 10), how much are investors (excluding Owner's own equity) willing to invest toward development costs, excluding all syndication fees or charges? 94.9%

☐ check if estimated ☒ check if based on commitment(s); if so please attach copies

- d. Has the intermediary (identified above) provided you with any documentation regarding the amount of syndication or other intermediary costs, fees, "loads" or other charges it will impose in with its services?

☐ Yes ☒ No If yes, please attach copies

- e. How much, if any, is the Owner willing or committed to invest toward Development Costs?
\$ 348,249 **Evidence of investment must be provided to IHFA.**

8. Tax-Exempt Bond Financing/Credit Enhancement

- a. If Multi-family Tax Exempt Bonds are requested, list percent such bonds represent of the aggregate basis of the building and land of the development: _____

If this percentage is 50% or more, a formal allocation of credits from IHFA is not necessary (although the development must satisfy and comply with all requirements for an allocation under this Allocation Plan and Section 42 of the Code. The Issuer of the bonds must determine the maximum amount of credits available to the development which, just as for developments which do need allocation, is limited to the amount of credits necessary to make the development financially feasible). AT THE TIME OF SUBMITTING THIS APPLICATION, YOU MUST PROVIDE IHFA WITH AN OPINION OF COUNSEL, SATISFACTORY TO IHFA, THAT YOU ARE NOT REQUIRED TO OBTAIN AN ALLOCATION OF TAX CREDITS FROM IHFA AND THAT THE DEVELOPMENT MEETS THE REQUIREMENTS OF THE ALLOCATION PLAN AND CODE.

footnotes: _____

b. Name of Issuer _____

Street Address _____

City _____ State _____ Zip _____

Telephone Number _____ Fax Number _____

c. Name of Borrower _____

Street Address _____

City _____ State _____ Zip _____

Telephone Number _____ Fax Number _____

If the Borrower is not the Owner, explain the relationship between the Borrower and Owner.

If Development will be utilizing Multi-family Tax Exempt Bonds, you must provide a list of the entire development team in addition to above.

- d. Does any of your financing have any credit enhancement? ☐ Yes ☒ No
If yes, list which financing and describe the credit enhancement:

- e. Is HUD approval for transfer of physical asset required? ☐ Yes ☒ No
If yes, provide copy of TPA request to HUD.

- f. Is the Development a federally assisted low-income housing Development with at least 50% of its units in danger of being removed by a federal agency from the low-income housing market due to eligible prepayment, conversion, or financial difficulty? ☐ Yes ☒ No
If yes, please provide documentation in Tab U of the application package.

footnotes: _____

X. Cost/Basis/Maximum Allowable Credit

1. Development Costs - List and Include Eligible Basis by Credit Type

ITEMIZED COST	Eligible Basis by Credit Type		
	Project Costs	30% PV (4% Credit)	70% PV (9% Credit)
a. To Purchase Land and Bldgs.			
1. Land	6,000		
2. Demolition			
3. Existing Structures	29,000		
4. Other (specify)			
b. For Site Work			
1. Site Work (not included in Construction Contract)			
Other(s) (Specify)			
c. For Rehab and New Construction (Construction Contract Costs)			
1. Site Work			
2. New Building	1,257,035		1,257,035
3. Rehabilitation	1,966,131		1,966,131
4. Accessory Building			
5. General Requirements*	193,390		193,390
6. Contractor Overhead*	64,463		64,463
7. Contractor Profit*	193,390		193,390
d. For Architectural and Engineering Fees			
1. Architect Fee - Design	100,000		100,000
2. Architect Fee - Supervision	30,000		30,000
3. Consultant or Processing Agent			
4. Engineering Fees	41,569		41,569
5. Other Fees (specify)			
e. Other Owner Costs			
1. Building Permits	10,000		10,000
2. Tap Fees			
3. Soil Borings			
4. Real Estate Attorney	25,000		25,000
5. Construction Loan Legal			0
6. Title and Recording	15,000		15,000
7. Other (specify)			
SPREADSHEET WILL CALCULATE	3,930,978	0	3,895,978

* Designates the amounts for those items that are limited, pursuant to the Allocation Plan

footnotes:

ITEMIZED COST	Eligible Basis by Credit Type		
	Project Costs	30% PV (4% Credit)	70% PV (9% Credit)
Subtotal from Previous Page	2,930,978	0	2,895,978
f. For Interim Costs			
1. Construction Insurance	15,000		15,000
2. Construction Interest & Other Capitalized Operating Expenses	90,000		90,000
3. Construction Loan Orig. Fee	10,000		10,000
4. Construction Loan Credit Enhancement			
5. Taxes/Fixed Price Contract Guarantee	5,000		5,000
g. For Permanent Financing Fees & Expenses			
1. Bond Premium			
2. Credit Report			
3. Permanent Loan Orig. Fee	5,000		
4. Permanent Loan Credit Enhancement			
5. Cost of Iss/Underwriters Discount			
6. Title and Recording	5,000		
7. Counsel's Fee	5,000		
8. Other (Specify)			
Loan interest after placed in service	277,274		
h. For Soft Costs			
1. Property Appraisal	5,500		5,500
2. Market Study	4,500		4,500
3. Environmental Report	12,000		12,000
4. IHFA Fees	19,000		
5. Consultant Fees	50,000		50,000
6. Other (specify)			
cost certification	7,500		7,500
i. For Syndication Costs			
1. Organizational (e.g. Partnership)	10,000		
2. Bridge Loan Fees and Exp			
3. Tax Opinion	20,000		
4. Other (specify)			
j. Developer's Fee*			
100 % Not-for Profit			
% For-Profit	640,000		640,000
k. For Development Reserves			
1. Rent-up Reserve			
2. Operating Reserve	55,000		
l. Total Project Costs (spreadsheet will calculate)	5,158,752		4,735,478

* Designates the amounts for those items that are limited, pursuant to the Allocation Plan.

footnotes:

Eligible Basis		30% PV Credit	70% PV Credit
Eligible Basis		30% PV Credit	70% PV Credit
Subtotal from Previous Page		30% PV Credit	70% PV Credit
m. Total Commercial Costs*	105,300		
n. Total Dev. Costs less Comm. Costs (l-m)	5,061,452		
o. Reductions in Eligible Basis Subtract the following:			
1. Amount of Grant(s) used to finance Qualifying development costs			
2. Amount of nonqualified recourse financing			
3. Costs of nonqualifying units of higher quality (or excess portion thereof)			
4. Historic Tax Credits (residential portion)			594,060
5. Subtotal (o.1 through 4 above)		0	594,060
p. Eligible Basis (II minus o.5)		0	4,141,418
q. High Cost Area Adjust to Eligible Basis (ONLY APPLICABLE IF development is in a Census Tract or difficult development area) Adjustment Amount X 30%			
r. Adjusted Eligible Basis (p plus q)		0	4,141,418
s. Applicable Fraction (% of development which is low income)			
U Based on Unit Mix or Sq Ft. (Type U or SF)			88.57%
t. Total Qualified Basis (r multiplied by s)		0	3,668,054
u. Applicable Percentage (weighted average of the applicable percentage for each building and credit type)			9.00%
v. Maximum Allowable Credit under IRS sec 42 (t multiplied by u)		0	330,125
w. Combined 30% and 70% PV Credit	330,125		

* Commercial costs are defined as those costs that are not eligible basis and are attributed to non-residential areas of the Development (e.g. retail area of mixed-use development).

Note: The actual amount of credit for the Development is determined by IHFA. If the Development is eligible for Historic Tax Credit, include a complete breakdown of the determination of eligible basis for the Historic Credit with the Application. If the Development's basis has been adjusted because it is in a high cost or qualified census tract, the actual deduction for the Historic Cost items must be adjusted by multiplying the amount by 130%. This does not apply to Historic Tax Credits.

footnotes:

The following are all alleged to have been used for the purpose of obtaining information in relation to the activities of the IRA and its members and supporters. The following information is based on the information provided by the Garda Síochána and is not intended to be a comprehensive list of all such information. The following information is based on the information provided by the Garda Síochána and is not intended to be a comprehensive list of all such information.

a.	TOTAL DEVELOPMENT COSTS	\$ <u>5,166,752</u>
b.	LESS SYNDICATION COSTS	\$ <u>30,000</u>
c.	TOTAL DEVELOPMENT COSTS (a - b)	\$ <u>5,136,752</u>
d.	LESS: TOTAL SOURCES OF FUNDING EXCLUDING SYNDICATION PROCEEDS	\$ <u>2,070,298</u>
e.	EQUITY GAP (c - d)	\$ <u>3,066,454</u>
f.	EQUITY PRICING PERCENTAGE (Percentage of 10-year credit expected to be personally invested by you or raised as equity excluding syndication or similar costs to 3rd parties)	\$ <u>0.9494</u>
g.	10-YEAR CREDIT AMOUNT NEEDED TO FUND THE EQUITY GAP (e/f)	\$ <u>3,229,886</u>
h.	ANNUAL TAX CREDIT REQUIRED TO FUND EQUITY GAP (g/10)	\$ <u>322,989</u>
i.	MAXIMUM ALLOWABLE CREDIT AMOUNT	\$ <u>330,125</u>
j.	RESERVATION AMOUNT (Lesser of h or i)	\$ <u>322,989</u>
k.	TOTAL EQUITY INVESTMENT (anticipated for initial app)	\$ <u>2,748,205</u>
l.	DEFERRED DEVELOPER FEE	\$ <u>348,249</u>
m.	FINANCIAL GAP	\$ <u>-30,000</u>
1.	CREDIT PER UNIT (j/Number of Units)	\$ <u>9228</u>
2.	CREDIT PER BEDROOM (j/Number of Bedrooms)	\$ <u>6592</u>
3.	COST PER UNIT a - (Cost of Land + Commercial Costs + Historic Credits) Total Number of Units	\$ <u>127,640</u>

footnotes: Does not perform calculation with deferred fee, see adjusted calculation

Revised calculation with deferred development fee

2. Determination of Reservation Amount Needed

The following calculation is based on the information provided in the application. It is not intended to be a final calculation. The actual calculation will be based on the information provided in the application and the information provided by the applicant. The actual calculation will be based on the information provided in the application and the information provided by the applicant.

a. TOTAL DEVELOPMENT COSTS	\$ 5,166,752
b. LESS SYNDICATION COSTS	\$ 30,000
c. TOTAL DEVELOPMENT COSTS (a - b)	\$ 5,136,752
d. LESS: TOTAL SOURCES OF FUNDING EXCLUDING SYNDICATION PROCEEDS	\$ 2,070,298
e. EQUITY GAP (c - d)	\$ 3,066,454
f. EQUITY PRICING PERCENTAGE (Percentage of 10-year credit expected to be personally invested by you or raised as equity excluding syndication or similar costs to 3rd parties)	<i>Less deferred fee</i> - 348,249 2,718,205
g. 10-YEAR CREDIT AMOUNT NEEDED TO FUND THE EQUITY GAP (e/f)	\$ 3,229,886 2,863,000
h. ANNUAL TAX CREDIT REQUIRED TO FUND EQUITY GAP (g/10)	\$ 322,989 286,300
i. MAXIMUM ALLOWABLE CREDIT AMOUNT	\$ 330,125
j. RESERVATION AMOUNT (Lesser of h or i)	\$ 322,989 286,300
k. TOTAL EQUITY INVESTMENT (anticipated for initial app)	\$ 2,748,205
l. DEFERRED DEVELOPER FEE	\$ 348,249
m. FINANCIAL GAP	\$ -30,000
1. CREDIT PER UNIT (j/Number of Units)	35 \$ 9228 8,180
2. CREDIT PER BEDROOM (j/Number of Bedrooms)	49 \$ 6592 5,843
3. COST PER UNIT <u>a - (Cost of Land + Commercial Costs + Historic Credits)</u> Total Number of Units	\$ 127,640

footnotes: Does not perform calculation with deferred fee, see adjusted calculation

Pearson Place
February 25, 2005

The undersigned hereby acknowledges that :

1. This Application form, provided by IHFA to applicants for funding, including the sections herein relative to basis, credit calculations and determinations of the amount of the credit necessary to make the development financially feasible, is provided only for the convenience of IHFA in reviewing the reservation requests; completion hereof in no way guarantees eligibility for the credits or ensures that the amount of credits applied for has been computed in accordance with IRC requirements; and that any notations herein describing IRC requirements are offered only as general guides and not as legal authority;
2. The undersigned is responsible for ensuring that the proposed development will be comprised of qualified low-income buildings; that it will in all respects satisfy all applicable requirements of federal tax laws and any other requirements imposed upon it by the IHFA; and that the IHFA has no responsibility that all or any funding allocated to the development may not be useable or may later be recaptured;
3. For purposes of reviewing this Application, IHFA is entitled to rely upon the representation of the undersigned as to the inclusion of costs in eligible basis and as to all of the figures and calculations relating to the determinations of qualified basis for the development as a whole and for each building therein individually as well as the amounts and types of credit applicable thereto, and that the issuance of a reservation based on such representations in no way imposes any responsibility on the IHFA for their correctness or compliance with IRC requirements;
4. The IHFA offers no advise, opinion or guarantee that the Applicant or the proposed development will ultimately qualify for or receive low-income housing tax credits, Multi-family tax exempt Bonds, HOME, 501(c)3 Bonds;
5. Allocations of funding are not transferable without prior written notice of the IHFA; and
6. The requirements for applying for funding and the terms of any reservation or allocation thereof are subject to change at any time by federal or state law, federal, state or IHFA regulations, or other binding authority.
7. Applicant is submitting this Application on behalf of Owner, whether Owner has already been formed or is a to-be-formed entity.
8. Applicant represents and warrants to IHFA that it has all necessary authority to act for, obligate and execute this Application on behalf of itself and Owner, and to engage in all acts necessary to consummate this Application. Applicant further represents and warrants to IHFA that the signatories hereto have been duly authorized and that this Application shall be valid and binding act of the Applicant, enforceable according to its terms.
9. In the event the Applicant is not the Owner, Applicant represents and warrants to IHFA that it will take, and not fail to take, any and all necessary to cause the Owner to ratify and confirm and comply with the terms and conditions of this Application.
10. Applicant represents and warrants to IHFA that it will take any and all action necessary and not fail to cause the Developer to ratify and confirm and comply with the terms and conditions of this Application

Further, the undersigned hereby certifies that:

- a) All factual information provided herein or in connection herewith is true, correct and complete, and all estimates are reasonable;
- b) It shall promptly notify the IHFA of any corrections or changes to the information submitted to the IHFA in connection with this Application upon becoming aware of same;
- c) It is responsible for all calculations and figures to the determination of the eligible basis and qualified basis for any and all buildings and other improvements, and it understands and agrees that the amount of funding to be reserved and allocated has been calculated pursuant to and in reliance upon the representations made within;

- d) It will at all times indemnify and hold harmless IHFA against claims, losses, costs, damages, expenses and liabilities of any nature (including, without limitation, attorney fees and attorney fees to enforce the indemnity rights hereunder) directly or indirectly resulting from, arising out of or relating to IHFA's acceptance, consideration, approval or disapproval of this Application and the issuance or non-issuance of an allocation of funding in connection herewith.
- e) It shall furnish the IHFA with copies of any and all cost certifications made to any other governmental agency, including, but not limited to, cost certifications made to FmHA or FHA, at the time that such certifications are furnished to such other agency.
7. Applicant hereby authorizes IHFA and its successors, affiliates, agents and assigns to utilize in any manner and at anytime, any photograph, picture, or other medium (collectively "photographs") of the property covered by this Application, without limitation, in any and all matters, publications, or endeavors, commercial or noncommercial, undertaken directly or indirectly by IHFA at any time on or after the date of this Application without any limitation whatsoever. Applicant understands that: (1) it is relinquishing any and all ownership rights in any such photograph, picture or medium to IHFA; and (ii) it is relinquishing any and all legal rights that it may now or hereafter have to, directly or indirectly, challenge, question or otherwise terminate the use of the photograph by IHFA.
8. **DISSEMINATION OF INFORMATION and AGREEMENT TO RELEASE AND INDEMNIFY.** The undersigned for and on behalf of itself, the Development, Owner and all participants in the Development, together with their respective officers, directors, shareholders, members, partners, agents, representatives, and affiliates (collectively, "Applicant") understands, acknowledges and agrees that this and any application for Rental Housing Tax Credits ("Credits") (including, but not limited to, all preliminary final Applications, related amendments and information in support thereof and excepting personal financial information) are available for dissemination and publication to the general public.

In addition, as additional consideration for IHFA's review of its request for Credits, the Applicant does hereby release IHFA and its directors, employees, attorneys, agents and representatives of and from any and all liability, expense (including reasonable attorney fees) and damage that it may, directly or indirectly, incur because of such dissemination or publication, and the Applicant hereby agrees to indemnify and hold IHFA harmless of and from any and all such liability, expense or damage.

IN WITNESS WHEREOF, the undersigned, being duly authorized, has caused this document to be executed in its name on this 25th day of February, 2005

APPLICANT IS NOT OWNER

Legal Name of Applicant

By: _____

Printed Name: _____

Its: _____

STATE OF INDIANA)
) SS:
COUNTY OF _____)

Before me, a Notary Public, in and for said County and State, personally appeared, _____
(the _____ of _____), the Applicant in the foregoing Application for Reservation
of _____ (current year) funding, who acknowledged the execution of the foregoing instrument as his (her)
voluntary act and deed, and stated, to the best of his (her) knowledge and belief, that any and all representations
contained therein are true.

Witness my hand and Notarial Seal this _____ day of _____, _____.

My Commission Expires:

Notary Public

My County of Residence:

Printed Name
(title)

APPLICANT IS OWNER

Human Services, Inc.
Legal Name of Applicant

By: Debra Bunch

Printed Name: Debra Bunch

Its: Executive Director

STATE OF INDIANA)
) SS:
COUNTY OF Bartholomew)

Before me, a Notary Public, in and for said County and State, personally appeared, Debra Bunch
(the Executive Director of Human Services, Inc.), the Applicant in the foregoing Application for Reservation
of 2005 (current year) funding, who acknowledged the execution of the foregoing instrument as his (her)
voluntary act and deed, and stated, to the best of his (her) knowledge and belief, that any and all representations
contained therein are true.

Witness my hand and Notarial Seal this 25th day of February, 2005.

My Commission Expires:

30-Aug-07

Richard L. Clark
Notary Public

My County of Residence:
Morgan

Richard L. Clark
Printed Name
(title)

Z. Statement of Issuer/Applicant (For Multi-family Tax Exempt Bonds only)

The undersigned hereby acknowledges that :

1. This Application form, provided by IHFA to applicants for tax credits and tax-exempt bonds, including the sections herein relative to basis, credit calculations and determinations of the amount of the credit necessary to make the development financially feasible, is provided only for the convenience of IHFA in reviewing the reservation requests; completion hereof in no way guarantees eligibility for the credits or bonds or ensures that the amount of credits applied for has been computed in accordance with IRC requirements; and that any notations herein describing IRC requirements are offered only as general guides and not as legal authority;
2. The undersigned is responsible for ensuring that the proposed bond issue will in all respects satisfy all applicable requirements of federal tax laws and any other requirements imposed upon it by the IHFA; and that the IHFA has no responsibility that all or any of the funds allocated to the Development may not be useable or may later be recaptured;
3. For purposes of reviewing this Application, IHFA is entitled to rely upon the representation of the undersigned as to the inclusion of costs in eligible basis and as to all of the figures and calculations relating to the determinations of qualified basis for the development as a whole and for each building therein individually as well as the amounts and types of credit applicable thereto, and that the issuance of a reservation based on such representations in no way imposes any responsibility on the IHFA for their correctness or compliance with IRC requirements;
4. IHFA may request or require changes in the information submitted herewith, may substitute its own figures which it deems reasonable for any or all figures provided herein by the undersigned and may reserve credits, if any, in an amount significantly different from the amount requested;
5. The IHFA offers no advice, opinion or guarantee that the Issuer or the proposed development will ultimately qualify for or receive funds;
6. Reservations of funds are not transferable without prior written consent of IHFA;
7. If the IHFA believes, in its sole discretion, that the Development will not be completed or that any condition set forth in the Application will not be satisfied within the required time period, or will become unsatisfied or will otherwise cause the Development to fail to qualify for a Bond allocation, the Issuer agrees that the IHFA may rescind and retrieve any funds allocated to the Issuer. The Issuer acknowledges that all terms, conditions, obligations and deadlines set forth in this Application constitute conditions precedent to any allocation of funds, and the Development's failure to comply with any of such terms and conditions shall entitle the IHFA, in its sole discretion, to deem the allocation canceled by mutual consent. After any such cancellation, the Issuer acknowledges that neither it nor the Development will have any right to claim funds. The IHFA reserves the right, in its sole discretion, to modify and/or waive any such failed condition precedent, so long as such waiver does not violate any Code requirements relating to the Development;
8. The requirements for applying for funds and the terms of any reservation or allocation thereof are subject to change at any time by federal or state law, federal, state or IHFA regulations, or other binding authority; and
9. Reservations may be subject to certain conditions to be satisfied prior to allocation and shall in all cases be contingent upon the receipt of the required Application and reservation fees.
10. Applicant is submitting this Application on behalf of Owner, whether Owner has already been formed or is to-be-formed entity.
11. Applicant represents and warrants to IHFA that it has all necessary authority to act for, obligate and execute this Application on behalf of itself and Owner, and to engage in all acts necessary to consummate this Application. Applicant further represents and warrants to IHFA that the signatories hereto have been duly authorized and that this Application shall be the valid and binding act of the Applicant, enforceable according to its terms.
12. In the event Applicant is not the Owner, Applicant represents and warrants to IHFA that it will take, and not fail to take, any and all action necessary to cause the Owner to ratify and confirm and comply with the terms and conditions of this Application.
13. Applicant represents and warrants to IHFA that it will take any and all action necessary and not fail to cause the Developer to ratify and confirm and comply with the terms and conditions of this Application.

Further, the undersigned certifies that :

- a) All factual information provided herein or in connection herewith is true, correct, and complete, and all estimates are reasonable;
- b) It shall promptly notify the IHFA of any corrections or changes to the information submitted to the IHFA in connection with this Application upon becoming aware of same;
- c) It is responsible for all calculations and figures relating to the determination of the eligible basis and qualified basis for any and all buildings and other improvements, and it understands and agrees that the amount of funds to be reserved and allocated has been calculated pursuant to and in reliance upon the representations made herein; and
- d) It will at all times indemnify and hold harmless IHFA against all claims, losses, costs, damages, expenses and liabilities of any nature (including, without limitations attorney fees and attorney fees to enforce the indemnity rights hereunder) directly or indirectly resulting from, arising out of or relating to IHFA's acceptance, consideration, approval or disapproval of this Application and the issuance or non-issuance of an allocation of funds in connection herewith.

IN WITNESS WHEREOF, the undersigned, being duly authorized, has caused this document to be executed in its name on this _____ day of _____, _____

Legal Name of Issuer

By: _____

Printed Name: _____

Its: _____

STATE OF INDIANA)
) SS:
COUNTY OF _____)

Before me, a Notary Public, in and for said County and State, personally appeared, _____
(the _____ of _____), the Applicant in the foregoing Application for Reservation
of _____ (current year) funding, who acknowledged the execution of the foregoing instrument as his (her)
voluntary act and deed, and stated, to the best of his (her) knowledge and belief, that any and all representations
contained therein are true.

Witness my hand and Notarial Seal this _____ day of _____, _____.

My Commission Expires:

Notary Public

My County of Residence:

Printed Name
(title)